



Make war - not love
Modern armed forces loathe homosexuals, claiming they weaken fighting units



Top-shelf merchant
People realise their wives don't mind about our girls. They might even have a look themselves

Page I

Page III

http://www.FT.com

Tony Blair appoints cabinet members after Labour crushes Tories in election

New UK premier pledges to govern for all the nation

By Robert Peston,
Political Editor in London

Mr Tony Blair, the new UK prime minister, still savouring his landslide victory in Thursday's national elections, told enthusiastic supporters in Downing Street that he would "govern in the interests of all of our people, the whole nation".

Labour won an overall majority of 179, by far the biggest it has ever enjoyed, and celebrated a return to power after 18 years of Conservative rule.

Mr John Major, the outgoing prime minister, led the Conservatives to their worst defeat since 1906. The Liberal Democrats' tally of 46 seats was the best performance by a third party since 1929.

Labour and the Liberal Democrats together won 62 per cent of the vote - an overwhelming mandate for the policies they held in common, notably decentralisation of governing powers for Scotland and Wales and the abolition of hereditary peers' right to vote in the House of Lords.

Following a traditional hand-over of power, Mr Major offered his resignation to the Queen at 11.30am. "It has been an immense and very precious privilege to serve as Prime Minister of the United Kingdom over the past six and a half years," he said.

"I can say with some accuracy that the country is in far better

The final count

Party	No of seats	% of vote*
Labour	419	45
Conservative	165	31
Lib Dem	46	17
Others including SNP	29	7
Plaid Cymru	6	22**
Scottish National Party	4	10***

* Total votes cast 31.2m
** of votes cast in Scotland
*** of votes cast in Wales

shape than it was when I entered Downing Street." Mr Major confirmed that he had no intention of leading the Tories in opposition and would be quitting after "a reasonably brief interregnum". An adviser said he hoped the leadership contest would take place at the end of June.

Only the former chancellor (finance minister), Mr Kenneth Clarke, has confirmed that he would be a candidate. However, the two favourites for the post are Mr William Hague, the youthful former Welsh secretary, and Mr Michael Howard, the ex-home secretary.

In a sign of Mr Blair's desire to break the mould of traditional appointments, he is already negotiating with Sir David Simon, chairman of British Petroleum, with a view to giving him a leading role in shaping Labour's European Union policy.

The new prime minister is understood to have offered Sir David the position of minister for Europe and a seat in the House of

Lords. The discussions indicate that Mr Blair is intent on taking a constructive approach to EU negotiations. Sir David is an enthusiastic supporter of the EU and European monetary union.

Mr Blair also made the first senior appointments to his cabinet. An early reform of the structure of government is the appointment of Mr John Prescott as deputy prime minister with overall responsibility for a so-called super-ministry consisting of the transport and environment departments.

Mr Frank Dobson and Mr Michael Meacher are expected to serve under him, each as a minister of state rather than a member of the cabinet.

Mr Gordon Brown became Chancellor of the Exchequer. When he arrived at the Treasury just after 5pm, the central staircase was lined with a couple of hundred officials who greeted him with prolonged applause.

"He got a pop star welcome, with people shaking his hands and kissing him," said one. "It was a bit like a street party."

Mr Robin Cook is foreign secretary. Mr David Blunkett is secretary of state for education and employment. Mr Jack Straw is home secretary. Lord Irvine is Lord Chancellor and Mrs Margaret Beckett is trade and industry secretary.

Election round-up, Pages 4-7
Lex, Page 24



Pride and joy: Tony and Cherie Blair at Downing Street



Stack 'em high
You only look like a fashion victim in wedges if you can't walk in them



Surinam survival
The colony, then known as Dutch Guiana, was evidently not for wimps

Page XII

Page XVIII

Paradox at the heart of landslide win

By John Gapper
in London

Mr Tony Blair, the UK's new prime minister, had a few words of reassurance for those who suspected that his "New Labour" party had merely been a ruse.

Standing outside 10 Downing Street, the prime minister's office and residence, surrounded by Labour party workers and children waving flags, he yesterday said: "We ran for office as New Labour, we will govern as New Labour."

Mr Blair, the UK's youngest prime minister this century, added: "This is not a mandate for dogma or for doctrine, or for a return to the past."

His words illustrated the paradox that by crushing the Conservatives in the election - and ending their 18-year run in government - he has both repudiated, and ensured the preservation of, the legacy of Baroness Thatcher, former Conservative prime minister.

With the London stock market greeting Labour's victory with a small rise in the FTSE 100 index of big company shares, the City's investors signalled their confidence that Labour could not undo the reforms of the former Mrs Margaret Thatcher.

Yet the cheering crowds outside 10 Downing Street and the unexpected size of Labour's majority told a different story: that the Tories had been rejected by voters.

Mr Blair's achievement in his highly personalised campaign - reminiscent more of an American presidential election than a British parliamentary one - has been to make these apparent contradictions seem consistent.

The journey from the 1989 general election, in which Mrs Thatcher was re-elected with a 144-seat majority, to this one has

been enormous for Labour. It has abandoned socialist policies and become far more organised.

The 1993 manifesto envisaged a largely state-run economy, in which foreign exchange controls would be reimposed and all of the biggest private sector companies nationalised.

Fourteen years later, the idea of controlling enterprise in this way is unthinkable. As the world embraced the Thatcherite idea of privatisation, Labour abandoned its struggle against the Tories' economic and financial reforms.

Mr Blair, who was elected to parliament in 1983, made this journey faster and more enthusiastically than practically any other Labour figure. His embrace of enterprise, and belief in the value of markets, has been wholehearted.

Yet his manifesto tapped the public's disenchantment with the side-effects of Thatcherite reform: the decline of public services and rise of inequality.

His espousal of educational reform and improvements to the National Health Service, while retaining Tory tax and spending limits, convinced voters that he could improve the fabric of society without undermining individual wealth.

Beyond this intellectual achievement, Mr Blair transformed his party into a more effective fighting machine than that of his opponents. While Mr Blair claims to have recruited 240,000 new members to Labour in his three years as leader, the Conservative associations proved weak and fractious.

Not only did they defy Mr Major's attempts to lay down the law on a European single currency, but the ageing local Tory membership was outworked in marginal constituencies by the Labour party's smoothly coordinated machine.

News

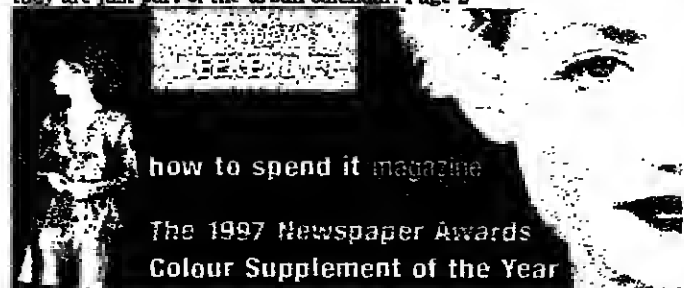
US budget deal agreed:

The White House and congressional Republicans reached a historic agreement on a plan to balance the US budget by 2002. The deal, the details of which were due to be announced late yesterday, was understood to include \$135bn in tax cuts, \$115bn in reduced medical spending on the elderly, and a reduction in the consumer price index which will cut pensions and raise taxes. The accord faces protracted debate in Congress.

Haider to found a union Jörg Haider, leader of Austria's Freedom Party, Europe's most successful far-right party, has been called many things: yuppie fascist, neo-Nazi, rabble rouser. Hardly one to take on the mantle of a revolutionary trade union leader, but this week he signalled his intention to form his own union. The move is aimed at helping him achieve his ambition to become chancellor at the next elections, which could take place next year. Page 2

Monopolies rise in Gaza: Entrepreneurs in Gaza, already dependent on moving materials over the troubled border with Israel, claim that the ruling Palestinian Authority has set up monopolies as sole importers of many essential commodities. One such enterprise, Al-Bahar, run from the offices of Yasser Arafat, appears to defy the 1994 protocol on economic relations between Israel and the Palestinians which stipulated that trade be free of restrictions. Page 3

Riot season in Berlin: This week's street battles in Berlin between police in riot gear and thousands of stone-throwing youths made for dramatic television, and might suggest grave popular tension or an imminent shattering of the social fabric. But to Berliners, they are just part of the urban calendar. Page 2



how to spend it magazine

The 1997 Newspaper Awards
Colour Supplement of the Year

Albania LEX 000	Australia SOT 07	Bahrain DNI 309	Canada CSE 22
Argentina LEX 000	Belgium SOT 07	Chad CSE 22	China CSE 22
Armenia LEX 000	Brazil SOT 07	Czech Rep K288	Colombia CSE 22
Austria LEX 000	Bulgaria SOT 07	Denmark DNI 309	Croatia CSE 22
Azerbaijan LEX 000	Cambodia SOT 07	Egypt CSE 22	Cyprus CSE 22
Bangladesh LEX 000	Cameroon SOT 07	Finland CSE 22	Czech Rep K288
Barbados LEX 000	Canada CSE 22	France CSE 22	Denmark DNI 309
Belize LEX 000	Chad CSE 22	Germany DNI 309	Egypt CSE 22
Bhutan DNI 309	China CSE 22	Hong Kong HK 820	Finland CSE 22
Bolivia LEX 000	Colombia CSE 22	Hungary CSE 22	France CSE 22
Bosnia LEX 000	Croatia CSE 22	India CSE 22	Germany DNI 309
Brazil SOT 07	Cyprus CSE 22	Indonesia CSE 22	Hong Kong HK 820
Bulgaria SOT 07	Czech Rep K288	Israel CSE 22	Hungary CSE 22
Burkina Faso LEX 000	Denmark DNI 309	Italy CSE 22	Indonesia CSE 22
Burundi LEX 000	Egypt CSE 22	Jordan CSE 22	Israel CSE 22
Cambodia SOT 07	Finland CSE 22	Korea CSE 22	Italy CSE 22
Cameroon SOT 07	France CSE 22	Latvia CSE 22	Jordan CSE 22
Canada CSE 22	Germany DNI 309	Lithuania CSE 22	Korea CSE 22
Cape Verde LEX 000	Hong Kong HK 820	Madagascar CSE 22	Latvia CSE 22
Casino LEX 000	Hungary CSE 22	Malaysia CSE 22	Lithuania CSE 22
Cayman Islands LEX 000	India CSE 22	Mexico CSE 22	Madagascar CSE 22
Czech Rep K288	Indonesia CSE 22	Moldova CSE 22	Malaysia CSE 22
Dominican Republic LEX 000	Israel CSE 22	Monaco CSE 22	Moldova CSE 22
Dominican Republic LEX 000	Italy CSE 22	Morocco CSE 22	Monaco CSE 22
Dominican Republic LEX 000	Jordan CSE 22	Netherlands CSE 22	Morocco CSE 22
Dominican Republic LEX 000	Korea CSE 22	Norway CSE 22	Netherlands CSE 22
Dominican Republic LEX 000	Latvia CSE 22	Poland CSE 22	Norway CSE 22
Dominican Republic LEX 000	Lithuania CSE 22	Portugal CSE 22	Poland CSE 22
Dominican Republic LEX 000	Madagascar CSE 22	Romania CSE 22	Portugal CSE 22
Dominican Republic LEX 000	Malaysia CSE 22	Saudi Arabia CSE 22	Romania CSE 22
Dominican Republic LEX 000	Moldova CSE 22	Spain CSE 22	Saudi Arabia CSE 22
Dominican Republic LEX 000	Monaco CSE 22	Sweden CSE 22	Spain CSE 22
Dominican Republic LEX 000	Morocco CSE 22	Switzerland CSE 22	Sweden CSE 22
Dominican Republic LEX 000	Netherlands CSE 22	Taiwan CSE 22	Switzerland CSE 22
Dominican Republic LEX 000	Norway CSE 22	Thailand CSE 22	Taiwan CSE 22
Dominican Republic LEX 000	Poland CSE 22	Turkey CSE 22	Thailand CSE 22
Dominican Republic LEX 000	Portugal CSE 22	Ukraine CSE 22	Turkey CSE 22
Dominican Republic LEX 000	Romania CSE 22	USA CSE 22	Ukraine CSE 22
Dominican Republic LEX 000	Saudi Arabia CSE 22	Yugoslavia CSE 22	USA CSE 22
Dominican Republic LEX 000	Spain CSE 22		Yugoslavia CSE 22
Dominican Republic LEX 000	Sweden CSE 22		
Dominican Republic LEX 000	Switzerland CSE 22		
Dominican Republic LEX 000	Taiwan CSE 22		
Dominican Republic LEX 000	Thailand CSE 22		
Dominican Republic LEX 000	Turkey CSE 22		
Dominican Republic LEX 000	Ukraine CSE 22		
Dominican Republic LEX 000	USA CSE 22		
Dominican Republic LEX 000	Yugoslavia CSE 22		

© THE FINANCIAL TIMES LIMITED 1997 No 33,281 LONDON • LEEDS • PARIS • FRANKFURT • STOCKHOLM • MADRID • NEW YORK • LOS ANGELES • TOKYO • HONG KONG

News Business

Suit over Nomura bribe

Shareholders at Nomura, Japan's largest securities company, have launched a legal action demanding that its former president and three other officials repay the company some ¥70m (\$660,000) allegedly paid in 1995 to a company related to the infamous "sokaiya" extortionists who solicit bribes by threatening to disrupt shareholders' meetings. Nomura is also waiting to learn what form of government action it faces over the scandal. Page 24

US film push by PolyGram Dutch entertainment group PolyGram, unveiled plans to launch a US film distribution company in the hope of bringing its six-year-old film division into profit. PolyGram Filmed Entertainment Distribution will be launched in the autumn with president Andrew Fogelson, a former Warner Bros and United Artists executive, co-ordinating distribution of all the group's feature films in the US. Page 25

Good US job figures fail to disturb the market A thriving US job market took the unemployment rate to its lowest level for 23 years in a further sign of economic growth that will boost government revenues and ease the task of balancing the budget. Market reaction to the jobless rate falling to 4.9 per cent from 5.2 per cent in March was mostly favourable. The Dow Jones Industrial Average was up about \$8 to 7,034.28 by mid-afternoon. Page 3; World stocks, Page 20; Lex, Page 24

Penguin less pursued: The Pearson media and information group admitted that personal gain may have been a motive in accounting irregularities at Penguin USA which led to a \$100m provision in the 1996 accounts. Until now Pearson had said there appeared to be no rational motive for the behaviour of a clerk who was dismissed for giving unauthorised discounts to booksellers. Page 24

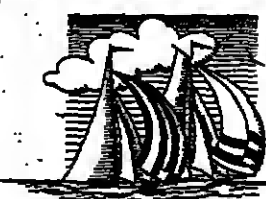
MGAM to handle Axiom assets: Morgan Grenfell Asset Management is expanding its funds under management by \$16bn with the success of its parent Deutsche Bank in the auction for the Axiom fund management business in Australia, which manages about \$19bn of state employees' pension money. Deutsche will pay A\$240m (\$188m) to buy Axiom from the New South Wales state government and shift management of the international asset portfolio to MGAM in London. Page 22

Contents

News	Competition	Managed Funds
International News	Companies & Finance	Money Markets
UK News	Other Trading Data	Markets
Weather	FTSE Actuaries	Recent Issues
Lex	FTSE-A World Index	Share Information
	Foreign Exchanges	World Commodities
	Good Movers	Wall Street
	Equity Options	Bourses
	London SE	
	LSE Dealers	

Albania LEX 000	Australia SOT 07	Bahrain DNI 309	Canada CSE 22
Argentina LEX 000	Belgium SOT 07	Chad CSE 22	China CSE 22
Armenia LEX 000	Brazil SOT 07	Czech Rep K288	Colombia CSE 22
Austria LEX 000	Bulgaria SOT 07	Denmark DNI 309	Croatia CSE 22
Azerbaijan LEX 000	Cambodia SOT 07	Egypt CSE 22	Cyprus CSE 22
Bangladesh LEX 000	Cameroon SOT 07	Finland CSE 22	Czech Rep K288
Barbados LEX 000	Canada CSE 22	France CSE 22	Denmark DNI 309
Bhutan DNI 309	China CSE 22	Hong Kong HK 820	Finland CSE 22
Bolivia LEX 000	Colombia CSE 22	Hungary CSE 22	France CSE 22
Bosnia LEX 000	Croatia CSE 22	India CSE 22	Germany DNI 309
Brazil SOT 07	Cyprus CSE 22	Indonesia CSE 22	Hong Kong HK 820
Bulgaria SOT 07	Czech Rep K288	Israel CSE 22	Hungary CSE 22
Burkina Faso LEX 000	Denmark DNI 309	Italy CSE 22	Indonesia CSE 22
Burundi LEX 000	Egypt CSE 22	Jordan CSE 22	Israel CSE 22
Cambodia SOT 07	Finland CSE 22	Korea CSE 22	Italy CSE 22
Cameroon SOT 07	France CSE 22	Latvia CSE 22	Jordan CSE 22
Canada CSE 22	Germany DNI 309	Lithuania CSE 22	Korea CSE 22
Cape Verde LEX 000	Hong Kong HK 820	Madagascar CSE 22	Latvia CSE 22
Casino LEX 000	Hungary CSE 22	Malaysia CSE 22	Lithuania CSE 22
Cayman Islands LEX 000	India CSE 22	Mexico CSE 22	Madagascar CSE 22
Czech Rep K288	Indonesia CSE 22	Monaco CSE 22	Malaysia CSE 22
Dominican Republic LEX 000	Israel CSE 22	Morocco CSE 22	Moldova CSE 22
Dominican Republic LEX 000	Italy CSE 22	Netherlands CSE 22	Monaco CSE 22
Dominican Republic LEX 000	Jordan CSE 22	Norway CSE 22	Morocco CSE 22
Dominican Republic LEX 000	Korea CSE 22	Poland CSE 22	Netherlands CSE 22
Dominican Republic LEX 000	Latvia CSE 22	Portugal CSE 22	Norway CSE 22
Dominican Republic LEX 000	Lithuania CSE 22	Romania CSE 22	Poland CSE 22
Dominican Republic LEX 000	Madagascar CSE 22	Saudi Arabia CSE 22	Romania CSE 22
Dominican Republic LEX 000	Malaysia CSE 22	Spain CSE 22	Saudi Arabia CSE 22
Dominican Republic LEX 000	Moldova CSE 22	Sweden CSE 22	Spain CSE 22
Dominican Republic LEX 000	Monaco CSE 22	Switzerland CSE 22	Sweden CSE 22
Dominican Republic LEX 000	Morocco CSE 22	Taiwan CSE 22	Switzerland CSE 22
Dominican Republic LEX 000	Netherlands CSE 22	Thailand CSE 22	Taiwan CSE 22
Dominican Republic LEX 000	Norway CSE 22	Turkey CSE 22	Thailand CSE 22
Dominican Republic LEX 000	Poland CSE 22	Ukraine CSE 22	Turkey CSE 22
Dominican Republic LEX 000	Portugal CSE 22	USA CSE 22	Ukraine CSE 22
Dominican Republic LEX 000	Romania CSE 22	Yugoslavia CSE 22	USA CSE 22
Dominican Republic LEX 000	Saudi Arabia CSE 22		Yugoslavia CSE 22
Dominican Republic LEX 000	Spain CSE 22		
Dominican Republic LEX 000	Sweden CSE 22		
Dominican Republic LEX 000	Switzerland CSE 22		
Dominican Republic LEX 000	Taiwan CSE 22		
Dominican Republic LEX 000	Thailand CSE 22		
Dominican Republic LEX 000	Turkey CSE 22		
Dominican Republic LEX 000	Ukraine CSE 22		
Dominican Republic LEX 000	USA CSE 22		
Dominican Republic LEX 000	Yugoslavia CSE 22		

The offshore investment that's all plain sailing



UP TO
6.75%
GROSS P.A.
30 DAYS NOTICE
OFFSHORE

First National Building Society Guernsey Limited is a subsidiary of First National Building Society, which was founded in 1861 and is one of the longest established building societies in the United Kingdom and Ireland.

Consider the benefits of a First National 30 Day Notice Postal Account.

Your money will grow faster thanks to highly competitive interest rates and a favourable tax climate (your interest will be paid gross without deduction of withholding tax). And you will enjoy the convenience and confidentiality of postal banking.

ACCOUNT FEATURES

- Highly competitive interest rates.
- Earn up to 6.75% gross p.a.
- Minimum balance £10,000.
- Choice of interest payment options.
- Operate your account by telephone, post or telex.
- Access to your savings with just 30 days notice.

LOOK AT THE RETURN

Balance	Annual % Gross	Monthly Interest	Monthly Interest % Gross
£250,000 +	6.75%	£1,625	6.75%
£100,000 +	6.70%	£670	6.70%
£50,000 +	6.60%	£330	6.60%
£25,000 +	6.50%	£165	6.50%
£10,000 +	6.50%	£65	6.50%

0800 004567
CALLS ARE FREE Lines open Monday to Friday 9.00am to 5.00pm.

FIRST NATIONAL
BUILDING SOCIETY GUERNSEY LIMITED
First National Building Society Guernsey Limited
P.O. Box 498, St. Peter Port, Guernsey, Channel Islands, GY1 6AE

AC04

US rejects EU aircraft subsidy plea

By Bernard Simon
in Toronto

The US yesterday rejected a call by the European Union to reopen a 1992 bilateral agreement that restricts subsidies for makers of large commercial aircraft.

Ms Charlene Barshefsky, US trade representative, said she did not share the EU's view that the pact, which includes ceilings on direct and indirect subsidies and transparency provisions, was "unbalanced".

The subsidies issue was raised at talks between Ms

Barshefsky and Sir Leon Brittan, European trade commissioner. They were in Toronto for a meeting of trade ministers of the informal Quadrilateral group, which also includes Japan and Canada.

The highlight of the Quad meeting was a long-awaited commitment by the US to table a conditional offer in the World Trade Organisation on liberalisation of financial services. All four Quad members agreed to table offers by mid-July.

They also said they would encourage other countries,

mainly in Asia and Latin America, to improve earlier offers.

Sir Leon described the outcome of the Quad meeting as a "necessary shot in the arm" to the conclusion of a financial services pact to replace a stop-gap WTO agreement which expires at the end of the year. But he noted that offers by the US and the other Quad members were conditional on "every-one else coming up to scratch too".

The financial services talks have gained new momentum in recent months

with the closer involvement of US and European banks and insurance companies.

According to one Quad official, an "acceptable" offer by the Asian and Latin American countries would have to include national treatment for foreign financial institutions, entry rights for foreign companies, full ownership rights, and safeguards against any retreat from these measures.

The EU's proposed review of the aircraft subsidies pact has been prompted partly by allegations of widening indirect subsidies provided by

the US National Aeronautics and Space Administration and the defence department to domestic aircraft makers.

The EU's concern has been heightened by the proposed merger between Boeing and McDonnell Douglas, creating an even more powerful rival to Airbus Industrie, the European aircraft maker.

Ms Barshefsky said, however, that "we do not see any link whatsoever" between the Boeing-McDonnell Douglas deal and the subsidies agreement.

The review sought by Brussels would include

replacing outright subsidies with some form of repayable loan, as well as tighter control over the use of government-funded research for commercial purposes.

The Quad ministers also threw their support behind moves within the Organisation for Economic Co-operation and Development to curb bribery.

A meeting of OECD ministers this month is expected to take steps to criminalise foreign commercial bribery, and to outlaw tax deductibility of bribes paid to foreign officials.

INTERNATIONAL NEWS DIGEST

Hanoi heroin trial starts

Vietnam's biggest drugs trial opened yesterday in a case that highlights a sharp rise in heroin trafficking across the once-closed communist country. Twenty-two people, many of them police officers, face charges of involvement in a huge heroin smuggling ring. State-run media say about half could face the death penalty, meted out in Vietnam by firing squad.

The case has also ensnared border guards and top officials in the country's secretive interior ministry, including some in its anti-drugs team. Vietnam has become a transshipment point for drugs being moved from the Golden Triangle area of Laos, Burma and Thailand to the west, a development which has alarmed western anti-narcotics agencies.

Opium was widely used during French colonial days. However, addiction to heroin and other hard drugs is rising, particularly among young urban Vietnamese starved of recreational facilities.

Jeremy Grant, Hanoi

French car sales down 10%

New car registrations in France fell by 10.3 per cent year on year in April, the fourth consecutive month in which figures have fallen below corresponding year-earlier levels. But the latest drop was smaller than those clocked up in the first three months of the year, raising hopes car sales may be recovering gradually after collapsing when a government incentive scheme was terminated last year.

The cumulative decline from the first four months of 1996 was 22.5 per cent to 571,228 units. The share of French marques slid to 54.4 per cent from 55.2 per cent in April 1996.

David Owen, Paris

Japan jobless at postwar high

The average monthly rate of unemployment in Japan rose to its highest level since the end of second world war in the 1940s, highlighting the structural pressures that have emerged in the economy since the last recession. The number of people out of work rose from 3.2 per cent to 3.3 per cent on average in the year to March 1997 - in spite of the fact that overall growth in the economy surged to 2.5 per cent last year. The increase still leaves the rate very low compared to other industrial countries. But the rise has dismayed the government and illustrates the pressures that Japan is facing as it moves from a high-growth period to a more mature economy.

The government is forecasting a jobless rate of 3.3 per cent in fiscal 1997 - suggesting there is little likelihood of a rapid return to the extremely low levels of unemployment of the past.

Gillian Tett, Tokyo

German states miss targets

Germany's federal states exceeded their budget deficit targets for 1996 but the Bonn finance ministry left unchanged at 3.8 per cent of gross domestic product its figure for last year's total public deficit as defined by the Maastricht Treaty.

The ministry said the 16 states' deficit totalled a provisional DM47.3bn (\$27.5bn) last year, up from a planned shortfall of DM39.4bn and the DM36.6bn announced for 1995. Mr Hansgeorg Hauser, a junior finance minister, blamed the widening gap on a sharp fall in tax revenues that more than offset lower-than-budgeted spending.

Further spending cuts were needed following widespread emergency budgets and spending freezes last year, he warned. Berlin's financial position deteriorated sharply. The city state's 1996 deficit of DM1.1bn was DM5.3bn over budget, largely because of a failure to implement planned asset sales.

The east German economy is threatened with stagnation and higher unemployment this year, the federation of German chambers of industry and commerce (DIHT) warned yesterday. It said economic recovery in the east remained fragile and the region needed considerably more time before it equalled western Germany. Subsidies to the region would need to be maintained, though these needed to be focused on investment rather than consumption. Manufacturing orders however were rising and the DIHT identified the sector as the leading light of the economy in the region.

Frederick Stüdemann, Berlin

Australian jailed for fraud

Mr Peter Mitchell, 56, former director of Bond Corporation, was yesterday jailed for four years by a western Australian court for his part in the A\$1bn (US\$700m) Bell Resources fraud, said to be the biggest corporate fraud in Australian history. Bond Corporation is the company formed by Mr Alan Bond, the one-time Perth-based tycoon who was one of Australia's most prominent businessmen in the 1980s, before crashing into bankruptcy in the 1990s. Mr Bond is already serving a jail sentence over the Bell Resources affair.

Mr Mitchell, who had been living in the US, will be eligible for parole after 16 months. He had pleaded guilty to misusing his position as a company director, and in return the prosecution had dropped a more serious charge of conspiracy to defraud.

Nikki Tait, Sydney

French Socialists in jobs plan

The French Socialists yesterday promised to pay for their ambitious plan to give work to 700,000 young unemployed by drastically simplifying the country's existing job schemes and without raising public spending.

The pledge was one of several refinements to existing policy contained in the party's campaign platform presented yesterday by Mr Lionel Jospin, the Socialist leader. Others included a commitment to raise the rate of existing wealth tax which around 1,000 of France's super-rich pay on their assets as well as their income, and a moratorium on new nuclear reactors.

Meanwhile, left and right in the French campaign sought to capitalise on Labour's landslide victory in the UK. Mr Jospin reminded voters the Conservatives were the ideological friends of President Jacques Chirac and the prime minister, Mr Alain Juppé, while Mr Juppé repeated his claim Labour had won because it had "renounced socialism".

David Buchanan, Paris

Capital rules irk German bankers

By Peter Norman in Bonn

The German finance ministry is prepared to review bankers' complaints that they face higher costs because of changes in the way supervisors are applying accounting rules relating to bank takeovers.

The finance committee of the Bundestag, the German lower house of parliament, has urged the government to resolve the dispute between the Berlin-based federal office for bank supervision and private sector banks.

The argument hinges on whether the banks should draw on expensive core capital or what bankers say is a traditional mixture of core capital and less costly subordinate capital when accounting for acquisitions. Banks such as Deutsche Bank and Dresdner Bank, which have acquired London-based investment banks in recent years, could face added charges of tens of millions of D-Marks if they have to cover the cost of purchases with core capital alone.

The finance ministry said yesterday it was sure the supervisors' practice of requiring banks to cover the difference between the book value of an acquisition and its purchasing price from core capital was correct and unchanged from before. But, following the committee's request, the ministry would look again at procedures in consultation with banks and supervisors.

The complex dispute came into the open this week when German bankers accused the Bonn government of putting them under various forms of pressure to drop a competition case in Brussels, including changes in the way bank supervisors allowed them to account for buying other banks.

In a case that has irritated Bonn and German state governments, the association of German private sector banks, representing institutions such as Deutsche Bank, has asked the European Commission to rule on whether Germany's publicly owned banks have enjoyed an unfair competitive advantage through access in the early 1990s to low-cost capital in the form of housing development funds.

FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nischengasse 3, 10118 Frankfurt am Main, Germany. Telephone +49 69 159 830. Fax +49 69 596 481. Registered in Frankfurt by J. Walter Brand, Wilhelm J. Bräuer, C. A. Karmann as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. The shareholders of the Financial Times (Europe) GmbH is Pearson Overseas Holdings Limited, 5 Broad Street, London, W1X 1LE. Shareholder of this company is Pearson plc, registered at the same address.

GERMANY:
Responsible for Advertising content: Colin A. Kennard, Printer: Hiltrop International Verlagsgesellschaft mbH, Adm.-Red.-Verl.-Strasse 3a, 52623 Neuss, Germany. Telephone 0174 7363. Fax 0174 7363. E-mail: karmann@hiltrop.de. S.A. Nord Edit, 1521 Rue de Caen, F-91000 Rodanville Cedex 1, France. Telephone 01 49 27 53. Fax 01 49 27 53. E-mail: karmann@hiltrop.de. Commission Periodique No 570802.

FRANCE:
Publishing Director: P. Maréchal, 42 Rue La Boétie, 75008 PARIS. Telephone (01) 576 8254. Fax (01) 576 8253. Printer: S.A. Nord Edit, 1521 Rue de Caen, F-91000 Rodanville Cedex 1, France. Telephone 01 49 27 53. Fax 01 49 27 53. E-mail: karmann@hiltrop.de. Commission Periodique No 570802.

SWEDEN:
Responsible Publisher: Engh Carey 468 618 6083. Printer: AB Kvalitetstryckeriet, Expressen, PO Box 6007, S-350 06, Göteborg.

© The Financial Times Limited 1997. Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9PL.



Growing up in Berlin: familiar scenes as young Autonomens clash with police and burn a building site office on May Day

Berlin rioters go by the book

Frederick Stüdemann finds a certain order among Germany's youthful anarchists

In Germany even anarchy is predictable.

For two nights - Wednesday and Thursday - police in Berlin fought street battles with thousands of Autonomens, the wilder elements of the city's youth. Water cannon and tear gas were deployed, as were five thousand officers - many of them in heavy-duty riot gear. A handful of people were seriously injured and more than 300 arrested; five cars were burned out.

Such scenes make dramatic TV viewing, and might even suggest grave popular tension and the imminent shredding of the social fabric. To Berliners, however, they are just part of the urban calendar.

To the detached observer the riots have a certain order about them. As if working from an agreed

script the original rally degenerates as each side taunts the other, throwing bottles and stones, snatching and grabbing, grabbing and snatching, and water cannon to draw up. This in turn prompts the Autonomens ("the autonomous ones") to retreat, only to start afresh.

Berlin - or its western part, at least - has experienced such scenes ever since the student protests of the late 1960s, which accustomed citizens to the idea of seeing streets and boulevards turned into vistas of broken glass on a pretty regular basis.

Thirty years ago it was the Vietnam war and youthful frustration with a conservative establishment which motivated the protesters. Later it was housing. By the late 1980s, however, no one

seemed to be sure what it was about any more.

Ostensibly the May 1 demonstrations were about the usual issues - the evils of fascism, capitalism, social injustice, unemployment, the exploitation of women and the developing world. In reality, however, such lofty ideals were cast aside in favour of a lively game of cat-and-mouse with the police, with predictable consequences.

The high-water mark came 10 years ago. Then, Kreuzberg - a district in west Berlin shored up against the Wall which divided the city at the time - was briefly a lawless zone as police lost control of the streets to Autonomens.

Today many of those who hurled stones at the police, looted shops, overturned cars and burned down a

supermarket, have moved on to different things. In the run-up to this year's anniversary, the Berlin media busied themselves tracking down veterans of '87 only to find many had become architects, dentists and small businessmen.

Quite a few gave misty-eyed accounts of what an important part of growing-up it had been to show the police a thing or two and demonstrate their indifference to bourgeois norms.

But just as many of the original Autonomens have settled down, so the annual bout of civil disturbance they sparked off has changed in character. Once Kreuzberg, for decades a costly run-down haven for drop-outs and West German draft dodgers, was the undisputed centre of the "Scene". Since the fall of

the Wall it has increasingly lost out to Prenzlauer Berg in the east where the pioneering spirit prevails and rents are cheaper. This densely populated area, which under communism was home to many of East Germany's dissidents, has in recent years made all the running on May 1.

But while much of the self-declared counter-culture has shifted east, the easterners themselves have become resentful of the incomes. In the run-up to this year's May 1 demonstrations, eastern members of the "Scene" accused their western counterparts of preferring violence to political protest. A split led to separate rallies and street parties in Prenzlauer Berg and Kreuzberg. In the event both ended in violence. Berliners expected as much.

William Hall measures the rise of Jörg Haider's rightwing Freedom party

Onward march of Austrian populism

Mr Jörg Haider, the controversial leader of Austria's Freedom party, has been called many things in his time: yuppie fascist, anti-semitic neo-Nazi, far-right rabble rouser. Revolutionary trade union leader is not an epithet that naturally springs to mind.

That may be about to change. The 47-year-old leader of Europe's most successful far-right party this week signalled his intention to form his own trade union.

At a May Day rally in a huge tent in Linz, Austria's biggest industrial city, Mr Haider told 3,000 mainly middle-aged blue-collar workers that his "Trade Union New" would "be there for skilled workers, the diligent and women".

The explanation for this extraordinary move, like many of Mr Haider's initiatives, lies in the cosy politicised structure of Austrian institutions. Management of the Austrian Trade Union Federation is supposed to be shared among supporters of political parties in proportion to their grassroots support. But the dominant Social Democratic and conservative People's parties, have long kept Freedom party representatives away from top positions.

"Now that we have more



Haider: targeting the blue-collar vote

he was filmed addressing a secret meeting of veterans of Hitler's Waffen SS.

These antics also cause nervousness at home, but he has won immense popularity, especially among middle-aged blue-collar men, for his passionate stands against immigration, against the highly paid sinecures given to faithful retainers of the ruling parties, and, recently, against the European Union. He even seems to be winning round parts of the Roman Catholic church, strong opponents of his anti-immigration policies, by starting to promote himself as a "defender of Christian values".

In last October's elections for the European parliament, the Freedom party took nearly 28 per cent of the vote, almost as much as the two parties in the ruling coalition. The Social Democrats took 29.2 per cent and the conservative People's party 29.6 per cent. Among blue-collar voters, Mr Haider is reckoned to have collected 50 per cent of the votes.

Mr Haider insists he has been misrepresented by the international media. "We are not on the right or left wing of the political spectrum. We are in front of the others," he said last week. He dismisses comparisons with Mr

Jean-Marie Le Pen, leader of France's National Front. "This is a racial movement and we are a pure democratic movement which respects human rights and the democratic tradition," says Mr Haider. Mr Le Pen seems to be of the same opinion. He told the New Yorker magazine recently that Mr Haider "makes too many compromises with centrists".

Mr Haider is pro-Nato and does not advocate Austria's withdrawal from the EU. But he is sceptical about monetary union. Among European political leaders, he believes he has most in common with Mr Edmund Stoiber, the Bavarian prime minister and leading member of Germany's Christian Social Union.

He likes the way Mr Tony Blair, Britain's newly elected prime minister, has transformed the Labour party into a modern movement. A frequent visitor to the US, he has no hesitation in hijacking ideas such as Mr Newt Gingrich's "contract with America" and coming up with his own "contract for Austria". "My party has become a broadly-based citizen movement for conscientious, decent open-minded people," he says. "Decent,

open-minded people" is the phrase he used to describe the Waffen SS veterans in that secret meeting two years ago. He also praised them for "sticking to your convictions despite the greatest opposition".

Whatever his convictions, he is an increasingly formidable political force. Since taking over the moribund Freedom party in 1986, he has concentrated - with great success - on appealing to traditional supporters of the People's party. These days, polls regularly show the Freedom party ahead of the People's party.

In the past two years, he has turned his attention to the core Social Democrat supporters. God-fearing working class people who do not like competition from immigrant workers and are suspicious that the EU is for the bosses.

Perhaps that is why the official trade union leaders have already reacted so vehemently to his plan to create a new union. One called it a "divisive" move, another spoke of a "victory of anti-union power". A People's party spokesman warned that it was "a step towards a third Republic", a reference to Mr Haider's passion for overhauling Austria's constitution.

F15CAL ACUM3N?

Monday, May 12.

FINANCIAL TIMES

No FT, no comment.

هكذا من النجيب

US jobless rate down to lowest level for 23 years

By Nancy Dunne and Patti Waldmeir in Washington

A thriving job market last month drove the US unemployment rate down to its lowest level in 23 years, a further sign of strong economic growth which will boost government revenues and ease the task of balancing the federal budget.

News that the jobless rate had fallen to 4.9 per cent from 5.2 per cent in March came as White House and congressional negotiators were locked in nail-biting talks to finalise a deal to eliminate the budget deficit by 2002. Both sides were yesterday making preparations to announce a deal.

President Bill Clinton sent top aides to Capitol Hill to resolve remaining differences over taxes and spending, after the president complained that the outline deal agreed on Thursday would "explode" the budget deficit after 2002 because of backloaded tax cuts.

The outline assumes tax cuts of \$135bn up to 2002, accelerating to

\$300bn in the following five years. The two sides were also disputing the degree of control Congress would have over specifying tax cuts - a political issue which could determine which side is able to claim credit for the cuts.

The \$35bn in net tax cuts is expected to include reductions in the capital gains and estate taxes and a \$500 child tax credit.

Most of the deficit reduction would come from \$115bn in reduced spending on Medicare health care for the elderly, from lower cost of living adjustments for social security pensions, from higher tax receipts due to an adjustment in the consumer price index and, crucially, from the fiscal benefits of a strong economy.

But even when agreement is announced between party leaders, it will only mark the beginning of a legislative battle which could last throughout the summer. "The devil is in the detail," Mr Robert Reischauer, a budget analyst at the Brookings Institution, said yesterday.

Leaders will have to persuade the left of the Democratic party, and the right of the Republican party, to support a deal. It is believed there was unlikely to be sufficient opposition in Congress to stop it in the end.

Republicans are keen to reap the political benefits of achieving something in Washington, after months of gridlock, and Democrats are keen to do nothing to sabotage the strong economic growth which delivered the presidency to them in the last election.

Vice-President Al Gore, likely contender for the presidential nomination in 2000, "needs the budget issue to go away," says Mr Reischauer.

Yesterday's report from the US Labour Department, announced in the midst of the budget baggling, contained almost no bad news for the economy. Although employment growth - 142,000 - was well below expectations, job creation in the construction industry was depressed by bad weather. Manufacturing employment dropped by 14,000.

Poor pickings in Gaza for Palestinian entrepreneurs

Monopolies are stifling small businesses, writes Judy Dempsey

Mr Amassi Ghazi should be a prosperous man. A plain-speaking manager, he is a typical Palestinian entrepreneur, having inherited his father's building materials company.

He runs his business from one of his warehouses tucked away in a narrow street in Gaza City. It is full of cement, lime, steel wire and other construction materials.

Since the Palestinian Authority took over the administration of Gaza in 1995, the construction industry has accounted for 20 per cent of GDP as 100,000 Palestinians returned, boosting the demand for housing, office space and industrial buildings.

So at 38, Mr Ghazi should be comfortably looking forward to passing the business on to his own three sons.

But the optimism he had after 1995 has waned. "I am very pessimistic," he says, sitting at his desk and filling in his order book. The closures which the Israeli government regularly imposes on Gaza mean there is no free movement of goods in or out. More worrying for Mr Ghazi is the kind of economic policy adopted by the PA over the past two years.

Economy snapshot: West Bank and Gaza



Source: Palestinian and Israeli authorities, IMF estimates

being extended to the Palestinian economy.

Mr Shafi, however, identifies a more damaging long-term trend. "The Israeli monopolies, especially in cement, which is dominated by Nesher, are preventing the creation of an entrepreneurial class in Palestine. The effect is two-fold: the consumer pays more and the entrepreneur is stifled by both sides, the Israelis and the PA, acting in collusion."

Mr Ghazi has tried to get around the monopolies by buying cement from neighbouring Egypt. Sometimes the quality is not so good. Even when it is, by the time he manages to bypass the agency and import it through Israel, the bags, he explains, are torn open by the Israeli customs authorities, "for security reasons."

"The Israelis bore a steel rod through the bag. The cement is ruined. They are doing this to protect their own markets. They do not believe in free trade either," he says, pointing to the ripped bags.

The PA tries to brush aside such criticism. Mr Mohammed El-Sambourti, an adviser to Mr Nabil Shaath, minister for planning and international co-operation, blames the closures, insisting the PA is "not intentionally putting obstacles in front of Palestinian entrepreneurs."

The International Monetary Fund, however, in its recent report on economic developments in the West Bank and Gaza, said: "The PA has undertaken to dismantle import monopolies (notably on petroleum products, cement, tobacco and some electronic products) by the end of 1996, which currently represent the major structural distortion in the economy."

Mr Ghazi will believe that when it happens. "In the meantime, I pay the agency \$15.50 for a 50kg bag of cement and sell it to the consumer for \$16. If I could, I would buy it and sell it for at least 10 per cent less. But I can't. It's a great pity."

some of the most important commodities from Israel. This is despite the 1994 Protocol on Economic Relations signed between Israel and the Palestinians, which stipulated that trade be free from restrictions.

Over the past two years, the Al-Bahar company has extended its grip over other sectors of the Gaza economy, buying up printing presses and securing the monopoly over the import of petrol, gas and other commodities from Israel upon which Gaza is dependent. Furthermore, it has contracts with selected Israeli cement and petroleum companies which already monopolise their own domestic market.

"These agencies receive preferential treatment from the PA," says Mr Shafi. "They are the ones who get around the closures. They

are the ones who pass the high prices on to the consumer. No one knows what happens to the taxes they are meant to pay to the PA. No wonder some Palestinians returnees are leaving. There is no proper legislation."

Israel's finance ministry, which is responsible for co-ordinating trade and tax policies with the PA is aware of these practices. But it claims it has little influence over the PA to curb monopolistic agencies in Gaza. "It suits some Israeli companies," a senior finance ministry official says. "It is easier to deal with just one agent in Gaza or the West Bank."

Unwittingly, the PA is perpetuating Israel's captive market grip over the West Bank and Gaza as much as the monopolistic Israeli economic practices that are

Zaire rebels step up advance on Kinshasa

By Michele Wrong in Kinshasa

Zairean rebels yesterday stepped up their advance on Kinshasa, leaving President Mobutu Sese Seko with less and less room for manoeuvre at his first direct peace talks with the rebel leader, Mr Laurent Kabila.

As the meeting aboard a South African warship was delayed by the cancer-stricken president's failing health, the Alliance of Democratic Forces for the Liberation of Congo (AFDL) ferried troops and artillery to Kikwit, 400km east of the capital, in preparation for a final push.

Witnesses reported seeing hundreds of chattering rebels boarding Boeing 737s, 727s and smaller aircraft at the airport in the occupied southern city of Lubumbashi. An AFDL commander said the rebels were poised to enter Kenge, a town just 200km from Kinshasa which has been abandoned over the past few days by the elite Zairean troops sent to stage a last defence.

The AFDL refused to order a ceasefire ahead of the US-brokered summit and the heavy military build-up will increase the pressure the 66-year-old president now faces on all sides to accept the inevitable and step down after 32 years at the helm.

Analysts had feared the rebels' insistence that Mr Mobutu's resignation was the only topic on the agenda - a statement that flew in the face of US claims that both sides had dropped preconditions - could scupper the talks at the last moment.

But Mr Mobutu flew to the Congolese port of Pointe Noire despite the public insult.

His difficulty in getting aboard the converted icebreaker, the venue for what South African and US mediators hope will be preparations for a transfer of power, merely underlined the fragility of his position.

Unable to climb the metal stairs leading from the quay-side to the deck of the SAS Outeniqua, the president, who is suffering from prostate cancer, had also been

advised by his doctors not to travel by helicopter.

The humiliating option of winching him aboard was briefly considered before a make-shift ramp was built and a smiling Mr Mobutu was driven aboard in his bullet-proof limousine, five hours behind schedule.

Mr Kabila, currently in the Angolan capital of Luanda, was due to join the ship later; it would then steam out to international waters, a symbolically neutral location for negotiations.

Diplomats have warned that an open clash at these last-ditch talks could have disastrous consequences on the increasingly tense capital, where fleeing soldiers returning from the front are hijacking cars and robbing residents.

Anxious to avoid that outcome, South Africa was keeping an armlock on the protagonists yesterday. President Nelson Mandela flew to Pointe Noire to ensure Mr Mobutu boarded and Mr Thabo Mbeki, the vice-president was sent to Luanda to accompany Mr Kabila.

Row over iron ore company sell-off

By Geoff Dyer in Rio de Janeiro

A war of words has broken out between Brazil's executive branch of government and the judiciary over the delay of the auction of shares in Companhia Vale do Rio Doce (CVRD), the first part of Latin America's biggest privatisation.

Members of the government claim that judges have become unwitting participants in a political campaign by the opposition to derail the privatisation, which had been expected to raise more than \$5bn.

The government had planned to sell a 40-45 per cent stake of voting shares in the company, the world's biggest iron ore producer, at an auction scheduled for last Tuesday. However, because of a barrage of legal challenges against the sale, it has been postponed until Monday at the earliest.

Mr Luiz Carlos Mendonça de Barros, president of the National Development Bank, which is organising the sale, described the situation as "legal chaos". He said: "If a first-level judge is able to paralyse a decision taken by the executive and approved by the legislature, it is a complete inversion of the pyramid."

Brazilian judges have criticised the government for trying to use strong-arm tactics. Mr Jorge Scartezzin, president of the Regional Federal Tribunal in São Paulo, who rejected a government appeal against one of the injunctions suspending the auction, said: "It is necessary to respect legal procedures." Brazil's judiciary jealously guards its independence, which it claims allowed it to maintain some of the civil liberties that were threatened under the military dictatorship which ended in 1986.

Government lawyers said a record 120 legal challenges had been lodged against the sale. Judges awarded 22 injunctions, three of which are still outstanding. The government has asked one of the country's highest courts, the Supreme Tribunal of Justice (STJ), to overturn the injunctions. Mr Demócrito Rinaldo, an STJ judge, said he would not announce a decision until at least Monday.

If he rejects the case the government will have to wait until May 8 for its next chance to appeal against the São Paulo injunction.

Two consortia have qualified to bid for CVRD, one led by Companhia Siderúrgica Nacional, a Brazilian steel maker, the other by Anglo American of South Africa and Grupo Votorantim, a Brazilian conglomerate.

Canada tries to defeat computer brain drain

By Scott Morrison in Vancouver

Imagina Communications, a small Canadian network engineering company has been forced to raise employee salaries by an average 30 per cent in the past year to fend off recruiting raids by large software companies.

Miss Karen Kostasek, Imagina's president, says US companies have offered some of her employees pay packages of up to \$200,000 to lure them south of the border.

"It's really hard for us to meet those salaries," she says, adding that Imagina competes by providing generous benefits, a share ownership programme and continual professional development courses.

Imagina is just one of hundreds of small Canadian software producers struggling to hang on to programmers and designers at a time when there is a shortage of skilled personnel. The programmer shortage in Canada has been exacerbated by US companies such as Microsoft, which flock to university campuses offering generous wages to graduating students.

"Some of the brightest ones take the money and run [to the US]. It's very difficult to woo back someone who has already left," says

Miss Ruth Songhurst, president of Morrice Kern Systems, which produces software for internet applications.

The shortage of software programmers and designers comes at a time when the information communications technology sector is growing by an average of 9 per cent every year. But while the ICT sector in Canada in 1996 employed 415,000 people, an estimated 12,000 jobs in the industry are unfilled because software companies cannot find skilled designers. And the number of job vacancies in the industry is expected to grow to 30,000 by the turn of the century.

Industry analysts say they have little choice other than to resort to the same tactics as their US competitors. Software companies are lobbying the government to relax immigration requirements for programmers, a stop-gap measure that would allow companies to target personnel from east Asia, India and the Slavic countries of central Europe.

Under current regulations, companies that want to hire a foreigner must demonstrate they cannot find a Canadian resident qualified for the position, a process which costs companies thousands of dollars and months of effort. In a pilot project soon, authorities will waive the requirement and indu-

stry leaders say they will probably lobby for permanent regulatory changes.

"The lack of these [specialised] skills has been proven one thousand times and we're wasting valuable time and money on this process," says Mr Gaylen Duncan, president of the Information Technologies Association of Canada.

But many believe immigration is simply a stop-gap solution.

Insiders agree they must work with the government to introduce children to computers at an earlier age and improve computing courses in public schools.

The medium-term outlook remains bleak for the industry, which in 1996 generated C\$65bn (US\$46.4bn) in revenues, or 7 per cent of Canada's GDP. Demand for software programmers and designers is expected to increase and wages go up as more resources are directed toward resolving the so-called "millennium bomb" problem. Computers calculate dates using the last two figures of the year. But in 2000, many computers will think it is 1900, posing a slew of technical challenges.

Mr Duncan expects demand for programmers addressing the problem will surge as the new millennium approaches and salaries could soar by as much as 150 per cent.

Miss Karen Kostasek, Imagina's president, says US companies have offered some of her employees pay packages of up to \$200,000 to lure them south of the border.

"It's really hard for us to meet those salaries," she says, adding that Imagina competes by providing generous benefits, a share ownership programme and continual professional development courses.

Imagina is just one of hundreds of small Canadian software producers struggling to hang on to programmers and designers at a time when there is a shortage of skilled personnel. The programmer shortage in Canada has been exacerbated by US companies such as Microsoft, which flock to university campuses offering generous wages to graduating students.

"Some of the brightest ones take the money and run [to the US]. It's very difficult to woo back someone who has already left," says

Miss Ruth Songhurst, president of Morrice Kern Systems, which produces software for internet applications.

The shortage of software programmers and designers comes at a time when the information communications technology sector is growing by an average of 9 per cent every year. But while the ICT sector in Canada in 1996 employed 415,000 people, an estimated 12,000 jobs in the industry are unfilled because software companies cannot find skilled designers. And the number of job vacancies in the industry is expected to grow to 30,000 by the turn of the century.

Industry analysts say they have little choice other than to resort to the same tactics as their US competitors. Software companies are lobbying the government to relax immigration requirements for programmers, a stop-gap measure that would allow companies to target personnel from east Asia, India and the Slavic countries of central Europe.


Under current regulations, companies that want to hire a foreigner must demonstrate they cannot find a Canadian resident qualified for the position, a process which costs companies thousands of dollars and months of effort. In a pilot project soon, authorities will waive the requirement and indu-

Miss Ruth Songhurst, president of Morrice Kern Systems, which produces software for internet applications.

The shortage of software programmers and designers comes at a time when the information communications technology sector is growing by an average of 9 per cent every year. But while the ICT sector in Canada in 1996 employed 415,000 people, an estimated 12,000 jobs in the industry are unfilled because software companies cannot find skilled designers. And the number of job vacancies in the industry is expected to grow to 30,000 by the turn of the century.

Industry analysts say they have little choice other than to resort to the same tactics as their US competitors. Software companies are lobbying the government to relax immigration requirements for programmers, a stop-gap measure that would allow companies to target personnel from east Asia, India and the Slavic countries of central Europe.

Under current regulations, companies that want to hire a foreigner must demonstrate they cannot find a Canadian resident qualified for the position, a process which costs companies thousands of dollars and months of effort. In a pilot project soon, authorities will waive the requirement and indu-



Societe Generale de Belgique

Société anonyme

Incorporated in Brussels by Royal Decree dated 28th August 1832
Registered Office: 30 rue Royale, 1000 Brussels
Trade Register Number: Brussels 17487

The Board of Directors is pleased to invite shareholders to assemble at the Company's registered office, rue Royale 30, Brussels on Wednesday 21st May 1997 at 10.30 am, for the Ordinary General Meeting, in accordance with the terms of the Statutes of the Company and the Decree of Association, to vote on the following agenda:

AGENDA

- Board report and Auditors' reports for the financial year ended 31st December 1996.
- Approval of the Board of Directors' reports for the financial year ended 31st December 1996.
- Approval of the Company's annual accounts for the financial year ended 31st December 1996, including the distribution of a net profit which will be amounted up to the distribution of the corresponding dividend with the ordinary coupon.
- Discharge of the Board of Directors and members of the Board of Directors from performance of their functions for the financial year.

- Elections according to the Statutes and Articles of Association:
The mandate of directors: Philippe Bodson, Valère Croes, Etienne Davignon, Jean-Claude Dehove, Françoise de la Haye, Bernard Egloff, Jean Garbino, Jean-Marie Philippe Liotier, Maurice Lippens, Philippe Malet, Gérard Mestrallet, Xavier Van Welyenberghe, Ponsolle, Alain Seugé, Pier-Vari Willems, Karel Vinck and Gérard Worms expires at the end of the Ordinary General Meeting.
Proposal to renew the mandates which the outgoing directors and members of the Board of Directors have been granted.
- Approval of the acquisition of the shares of the company amounting to 2,100,000 shares at a price of BEF 1,600 and the payment of BEF 3,300, during a period of 12 months, from the date of the General Meeting.

In order to attend this meeting, shareholders must deposit the Memorandum and Articles of Association, deposit the share certificate by Tuesday 13th May 1997 at the latest, or at one of the following banks:

In Belgium: Generale Bank Banque Indosuez Belgique	In France: Banque Indosuez	In Luxembourg: Banque Générale de Luxembourg	In Switzerland: Crédit Suisse First Boston Société de Banque Suisse Union de Banques Suisse	In Germany: Deutsche Bank Generale Bank & Co
---	-------------------------------	--	--	--

Without prejudice to the terms of Article 74, § 2, para 2 and § 3 of the co-ordinated laws on commercial companies, shareholders who wish to be represented should use the form of proxy which is available on request. All proxies should reach the Company's registered office as soon as possible and by Friday 16th May 1997 at the very latest, which date was laid down by the Board of Directors in accordance with the terms of Article 20 of the Memorandum and Articles of Association.

Brussels, 26th April 1997

Ph. LIOTIER
Chief Executive Manager

E. DAVIGNON
Chairman

THE ALL ENGLAND LAWN TENNIS GROUND plc ("Company")

£2,990 nominal debentures 1996/2000 Series ("Centre Court Debentures")

Set out below are the prices and dates of the three most recent transactions in the Centre Court Debentures, as notified to the Company. The amount of £19,025 has been paid up on the Centre Court Debentures.

Date	Price	Quantity
£25,750 (10/04/97)	£25,500 (09/04/97)	£25,750 (08/04/97)

£500 nominal debentures 1997/2001 Series ("No. 1 Court Debentures")

Set out below are the prices and dates of the three most recent transactions in the No. 1 Court Debentures, as notified to the Company. The amount of £9,900 has been paid up on the No. 1 Court Debentures.

Date	Price	Quantity
£15,250 (09/04/97)	£14,750 (03/04/97)	£16,250 (27/02/97)

This advertisement appears as a matter of course only and has been prepared for the purposes of section 57 of the Financial Services Act 1986 by the National Market Clearing Limited which is regulated by The Securities and Futures Authority Limited.

2 May 1997

INTERNATIONAL PROPERTY

Manhattan 5th Ave Trump Tower

BREATHTAKING

HIGH FLOOR GRACIOUS LIVING
TRIPLE EXPOSURE
CENTRAL PARK, 5TH AVE AND CITY SKYLINE VIEWS.
OVERSIZED LR, FORMAL D/R
(CONVERTIBLE TO 3RD B/R)
2 B/R'S, 2.5 MARBLE BATHS
OFFERED AT \$4,425,000 (UNFURNISHED)
CALL GEORGE BOOKIS
1-914-395-0170 (USA)
LICENSED N.Y. REAL ESTATE BROKER

NEWS: UK

Westminster streets resemble bustling boulevards of a southern European town in the grip of a fiesta

Screams of joy greet prime minister Blair

By Robert Peston, Political Editor

For the past 24 hours, the main thoroughfares around Westminster have resembled bustling boulevards of a southern European town in the grip of a fiesta.

In the early hours of yesterday morning, cars drove up and down Whitehall tooting their horns while passengers screamed their apparent joy at Labour's victory.

Mr Tony Blair's journey from his north London home to Buckingham Palace around lunchtime and from there to Downing Street was greeted by a cheering throng of optimists, basking in the unusually warm spring sunshine. Even Mr Gordon Brown's even-

ing arrival at the Treasury as the new chancellor of the exchequer attracted a couple of hundred onlookers to the portals of this imposing bastion at the heart of the government machine.

It all belied the copious criticisms made of Labour during the seven-week campaign that its programme was sterile and its battle tactics were cynical.

This may have been the view among media commentators, but it was apparently not shared by voters who delivered Labour its biggest ever majority and delivered the Tories their worst result since 1832.

So what can these voters expect from the government they have created? Will it be "an

uncontrollable monster running rampant through the reforms of the past 18 years", in the semi-ironic words of one of Mr Blair's colleagues, or "the harbinger of a new style of British politics", according to another.

In fact, all the signs point towards an altogether less dramatic outcome. In style there may not be big changes. Few senior government officials are being sacked or moved on. And Mr Alastair Campbell, who yesterday took over as press secretary to the prime minister, said he would retain the conventions of unattributable briefings which have for years allowed British governments to talk off the record to the media.

Those poised to join the government said Mr Blair would stick closely to the comparatively modest agenda set out in its election manifesto and his 10-point "covenant" with the British people.

"We ran for office as New Labour, we will govern as New Labour," the new prime minister said at the door of 10 Downing Street.

"There is not the slightest possibility that he will say one thing before the election and another thing after," insisted a Labour MP likely to become a senior minister.

"The whole essence of his case, his platform in the election, was that he would deliver what he promised and would not promise anything he could not deliver."

"We feared that the Tories

would exploit their inbuilt majority in the House of Lords to keep us bogged down in constitutional reforms," said a leading Blairite. "However, I really don't think they will dare to do that now."

His confidence stems from the apparently overwhelming electoral mandate for constitutional reform delivered in the election.

Labour's devolution proposals, together with its plan to strip hereditary peers of their voting rights in the House of Lords, is a programme agreed with the pro-European Liberal Democrats - and the two parties' combined share of the national vote was 62 per cent.

Probably the first real test of character of Mr Blair's govern-

ment will be the special Budget planned for June or July. At its heart will be a reduction in value added tax and a 55bn tax on the excess profits of the privatised utilities designed to provide finance to reduce unemployment among the young and those out of work for more than two years.

Treasury officials will soon put pressure on Mr Brown and Mr Blair to raise taxes to deal with a perceived revenue shortfall. The danger of raising taxes is that it could bring to an abrupt end the electorate's love affair with Mr Blair. But a minister in his government said: "Tony has got to do whatever painful stuff is required immediately. There will never be a better time."

Devolution set to dominate early days

By Nicholas Timmins, Public Policy Editor

Devolution of government in Scotland and Wales - and ratification of whatever Labour agrees at the European Union's Amsterdam summit next month - will dominate the government's first parliamentary session.

The elimination of the Conservatives in Scotland and Wales leaves an English party which will have little mandate to oppose Labour's devolution plans.

The prospect of an easier, though still complex, passage for devolution raises the likelihood that incorporation of the European Convention of Human Rights into UK law - a measure which could be started in the Lords early and which would help symbolise the change to New Labour - will now feature early in Labour's programme.

But the headlines Labour will seek from the announcement of its legislative programme on May 14 will be for its big education and crime and disorder bills, together with statutory minimum wage and health measures.

When the legislative committee meets on Monday and Tuesday, however, a host of decisions on less spectacular legislation will be needed.

A pledge to allow a free vote on a handgun ban is almost certain to be included. A speedy bill is required to allow the first, long-delayed, private finance initiative hospital deals to go ahead. First-session bills will include:

● **RIGHT TO KNOW:** Legislation to implement an EU data protection directive which provides access to personal files has to be introduced. It could be done, untidily, by regulation rather than a primary act, but there is pressure to merge it into Labour's promised freedom of information legislation. The scale of yesterday's victory increases the chances that may happen.

● **CRIME AND DISORDER:** A big bill aimed at anti-social behaviour and large-scale reform of the youth justice system. Measures will aim to halve the time taken to deal with young offenders and the law will no longer assume that 10 to 13-year-olds cannot differentiate between right and wrong. Child protection orders will allow police and local authorities to enforce curfews on children 10 and under.

● **RACIAL HARASSMENT:** New offences of racial harassment and racially-motivated violence will be created along with a community safety order - an injunction that could include exclusion from particular areas. Municipal authorities will face a new duty to develop community safety programmes.

● **DEVOLUTION:** Three bills are needed, with two setting up the Scottish and Welsh referendums followed, if the votes are yes, by the large substantive legislation. Papers detailing the plans will be needed before the referendum bill if Conservatives in the House of Lords, the unelected upper House of parliament, are not to fight it on the grounds they are being asked to agree referendums on something whose details are unknown. Officials say the timetable to hold the referenda in the autumn is "incredibly tight".

A crucial decision will be whether to follow the convention for constitutional measures and take the committee stage of the bills on the floor of the House of the Commons - a potentially much longer process than shifting them into a committee upstairs. Senior Conservatives have warned that Lords might vote down commitments made in parties' general election manifestos.

Additional reporting by Peter Norman in Bonn, Robert Graham in Rome, Neil Buckley in Brussels and Gordon Cramb in The Hague.

Gordon Brown to head finance team

By John Kampner and David Wighton

Mr Tony Blair, leader of Britain's victorious Labour party, sprang no surprises yesterday when he announced the seven top members of his first cabinet.

All moved into the positions they had shadowed as members of the opposition. Mr John Prescott becomes deputy prime minister and head of a new department combining environment, transport and regional planning.

Mr Gordon Brown will be the second most important member of the Labour cabinet with influence going well beyond that of a traditional chancellor of the exchequer.

In opposition, he took overall responsibility for all economic, employment and industrial policy, a role he is expected to continue in government.

In particular, he will oversee the welfare-to-work measures that are central to Labour's programme. He favours a bolder approach to the Budget than Mr Blair who is, however, expected to defer to his former mentor's judgment.

Eyes will be on early signs

of tension between Mr Brown and Mr Robin Cook, the new foreign secretary, over issues such as the single European currency.

Mr Cook will have two pivotal roles. As foreign secretary he will control perhaps the most important portfolio in the coming years, with the intergovernmental conference on European Union reform set to conclude next month, and the first phase of monetary union due in 1999.

In between the UK will chair the rotating presidency of the EU, the Group of Seven industrialised nations and the Commonwealth summit. Mr Cook will also be seen by Labour's "loyal left" as the fulcrum for radicalism in the cabinet. He will seek to ensure that Mr Blair presses ahead with plans for constitutional change and that he considers more redistributive economic policies.

Mr John Prescott, the elected deputy leader of the party, has been rewarded for his loyalty with a new "superministry" combining two of his special interests - transport and regional policy - with environment.

A covert to modernisation of the party, Mr Prescott

is sometimes seen as accident-prone. However, he is highly valued by Mr Blair who sees him as a link with the party's grassroots.

Mr David Blunkett's department, education and employment, has been elevated to one of the main offices of state to reflect Blair's promise to make education his top priority.

Mr Blunkett, who was born blind, is passionate in fulfilling his aspiration of improving life chances for the disadvantaged, seeing traditional teaching methods as the key to that.

Mr Jack Straw's tenure as home secretary will become certain after it emerged that Mr Prescott would not be taking it.

Mr Straw has been criticised by civil liberties groups for authoritarian tendencies, citing his calls for curfews for the under 10s, his initial refusal to condemn Conservative plans to step up bugging, and his general advocacy of stringent measures to crack down on crime.

Mr Blair, however, has been grateful to Mr Straw for turning law and order from a Conservative strength



John Prescott, deputy PM



Gordon Brown, chancellor

A new start

After a gruelling six-week election campaign, the victors will no doubt want two things - a celebration and a rest.

But once the champagne bubbles have gone flat, the prime minister and his government will have to face a fortnight of sheer hard work. Here are some key dates in the diary of the new administration:

● **Friday/Saturday May 2/3:** Announcements of appointments to a new cabinet.

● **Saturday May 3:** Privy Council at Buckingham Palace for the swearing in of a new cabinet in the early evening.

● **Sunday/Monday May 4/5:** Announcements to create the rest of the administration.

● **Monday May 6:** Meeting of the European Union's intergovernmental council in Strasbourg, which could be attended by the permanent representative in the absence of an available cabinet minister.

● **Wednesday May 7:** Election of the Speaker in the House of Commons. A ceremony will take place in which the Father of the House takes the chair in the Commons chamber to hear the Speaker proposed and seconded. If there is more than one candidate, a vote will be held. According to tradition the successful candidate will be dropped, resigning, by his or her fellow backbenchers to the chair. Only then can the business of the Commons commence.

● **Wednesday, Thursday, Friday May 7, 8, 9:** Swearing in of new MPs at times to suit them. After an initial rush, a steady flow of new MPs will swear (or affirm) an oath of allegiance to the Queen. The Commons is then adjourned until the state opening of parliament.

● **Thursday May 8:** The first cabinet meeting of the new session, which will decide on the contents of the Queen's Speech to the opening session of the new parliament, and the legislative programme for the year.

● **Monday May 12:** The chancellor of the exchequer represents Britain at the Ecofin council in Brussels to discuss European Monetary Union.

● **Wednesday May 14:** The official state opening of parliament, including the Queen's Speech.



Robin Cook, foreign secretary



David Blunkett, education



Jack Straw, home secretary

Emasculated unions look to reversal of 'injustice'

By Robert Taylor in London

Trade union leaders are in no mood for an offensive against the new government. Indeed, many reacted with delight to the scale of Labour's election victory even if they remain unsure what kind of relationship they can expect with Mr Tony Blair, the new prime minister.

Mr Blair has adopted a cool, arms-length attitude to the unions since he was elected Labour leader three years ago, believing he needed to end the traditional

relationship which had given the impression the party was subservient to union demands.

He made it clear he would treat the unions no differently than any other sectional interest and govern for the country as a whole if he became prime minister.

But Mr John Monks, the Trades Union Congress general secretary, said yesterday: "After 18 years of being shut out of national debate, trade unions hope for a government that will realise the potential of trade unions and their members to help solve the

problems our country faces".

During the national election campaign UK union leaders were exasperated by Labour's attitude towards the issue of legal recognition rights for unions. They accept they will not enjoy easy or automatic access to the prime minister or his cabinet colleagues. Mr Blair has seemed much more sympathetic towards business than the unions over recent months and Mr Monks knows the unions will have to justify their demands by rational argument not threats of disruption.

As the TUC general secretary explained yesterday: "The TUC recognises that the new government must govern in the interests of the whole country and not of any one interest group. But I am confident it will treat the union case with fairness and recognise the pendulum has swung too far in recent years in the direction of the bad employer".

The unions still expect Labour to deliver on its promises of a national minimum wage, signing the European Union social chapter and introducing legislation on

union recognition and representation - though it remains unclear how quickly this will come in what promises to be a tight government timetable.

Much will depend, as Mr Monks argues, on "a change of tone". But as Mr Rodney Bickerstaffe said yesterday, unions like Unison, the public service union he leads, "look forward to working" with Labour "to tackle the backlog of insecurity, injustice, discrimination and neglect that has disfigured the lives of millions of our people for far too long".

The annual season of summer trade union conferences starts next week with the loyalist AEEU engineering union and runs until early July. Their agendas and debates will provide signs of what activists want, and of the pressure for higher pay that might be building up. With the current level of UK average earnings rising by 5 per cent, the dangers of industrial disruption are real enough as the new government continues to apply the public sector pay freeze of its Tory predecessor until at least 1999.

Winner strikes chord with Europe's centre-left

International leaders believe the election result will herald a long period of greater co-operation

By Lionel Barber in Brussels

Chancellor Helmut Kohl of Germany yesterday led a chorus of international congratulations for Britain's new Labour government, saying he hoped the UK would play a more co-operative role in Europe.

Mr Kohl, who will seek a fifth term in office next year, said Labour's landslide victory was proof that anti-Europeanism does not win votes.

As Europe's politicians digested the scale of the Conservative defeat and the upsurge in support for the pro-European Liberal Democrats, many spoke hopefully of a new era.

Italy's centre-left Olive Tree coalition was delighted by Mr Tony Blair's victory, convinced the UK could once again become an ally in counterbalancing the Franco-German axis in the European Union.

Mr Alain Juppé, the French prime minister, pre-

dicted "very good relations" with Mr Blair and said that his victory would mean greater British openness towards Europe, especially in the area of social policy.

In Brussels, European Commission officials said they were "thrilled" by the margin of Labour's victory, which offered the prospect of five years of stable government.

They said that Tony Blair's victory had exploited Mr John Major's slim majority to exercise a virtual stranglehold over British diplomacy since the election of sterling from the European Exchange Rate Mechanism in September 1992.

A senior Scandinavian diplomat in Brussels said the most important result in the UK election was the defeat of overt Eurosceptics such as Sir James Goldsmith, the founder of the Referendum party, and Mr Michael Portillo, the defence secretary.

The Labour Party's victory was yesterday welcomed by Japanese policymakers and businessmen in the belief that the new British government will take a more pro-European line than its predecessor. William Dawkins writes in Tokyo.

Not only has Japan placed 40 per cent of its EU investments in the UK over the years, but it also relies on the government as an informal advocate in Europe. Japanese poli-

EU diplomats and European Commission officials said they were under no illusions that the Labour government would bring about immediate big changes in policy.

"On key sovereignty issues - money, borders and armies - no one expects a change in the short term," said one diplomat.

"The British... will always be watching on the sidelines," said one EU ambassador, "which is why others must go forward."

Spanish officials in Madrid said a Labour government would place "fewer obstacles" in the path of the EU,

but saw little prospect of a breakthrough on the controversy over Spanish boats registering in the UK to take advantage of British fishing quotas, and the long-running argument over the status of the island of Gibraltar.

The first big test of the new British government's European policies will come at a summit in Noordwijk in the Netherlands on May 23, where the Dutch presidency of the EU hopes to accelerate negotiations on a revised "Maastricht 2" treaty.

The new treaty is intended to streamline EU decision-making and institutions to

pave the way for enlargement of the union to central and eastern Europe. The Dutch consider that progress must be made in order to meet the agreed deadline for concluding a new treaty by mid-June in Amsterdam.

Chancellor Kohl, President Jacques Chirac of France and Mr Jacques Santer, president of the European Commission, were among leaders who yesterday expressed interest in early talks with Mr Blair, who is still relatively unknown in mainland Europe, in spite of well-cultivated links with sister socialist parties.

All these decisions are likely to be made in the next 12 months, partly under the British presidency of the EU in the first half of next year.

During a bitter UK election campaign, Mr Blair came under intense Conservative pressure to rule out any moves toward deeper European political integration.

The general verdict in Brussels yesterday was that the Labour leader had avoided making promises which would tie his hands in future negotiations with EU partners.

Other European parties

FINANCIALLY ASTUT3?

Monday, May 12.

FINANCIAL TIMES
No FT, no comment.

Months of meetings with bankers and brokers have yielded dividends to the party Labour landslide fails to alarm City

By George Graham,
Banking Correspondent

Months of breakfasting and lunching with bankers and brokers paid off for the Labour party yesterday as the City of London greeted the party's sweeping election victory without alarm.

"It is a non-event from a financial market point of view, and that is a tremendous tribute to Peter Mandelson (Labour's campaign manager), Alastair Darling (party spokesman on City affairs) and the rest of the Labour team, because they have put a lot of effort into making it a non-event," said one leading London fund manager.

"I am not claiming that the stock

market is particularly bright, but I think most of us had managed to work out that it was going to be a Labour victory," said another institutional investor.

After reassuring the City about its economic policies, the Labour party has also removed fears about some of its policies which could have affected the financial sector.

One proposal was for legislation to require any takeover bid to demonstrate that it was in the public interest before it could proceed.

That could have had a chilling effect on mergers-and-acquisitions business in the UK, especially if the public interest test had included stipulations on limiting job losses.

The policy is now being reviewed by Lord Borrie, however, and is not expected to survive.

City dealmakers said yesterday the Labour victory was unlikely to have any effect on their business - although many expect the pace of takeover activity to slow in the UK, with more mergers likely in mainland Europe.

Still alive, on the other hand, is a review of corporate taxation, including the possible reduction or abolition of advanced corporation tax. Since tax-exempt pension funds can reclaim ACT, every pound of dividend they receive from a company comes with an extra 26p from the Inland Revenue.

Mr Alastair Ross Goobey, chief executive of Hermes Pensions Management, has warned that the removal of ACT would sharply reduce the gross yield on equities and leave some schemes underfunded.

Gartmore, the investment management arm of National Westminster Bank, says it could as a result lead to a drop of 10 per cent to 15 per cent in the equity market.

But other fund managers say much of that impact may already be implicit in stock market prices. They note that institutions such as Bank of Scotland rushed to issue new preference shares, where the ACT effect also applies, before the election.

But the City is waiting for clear signals from the new government about its attitude to European monetary union.

The London Investment Banking Association yesterday issued a progress report on preparations for ERM. The report warns that unless the government acts quickly to convince business that the option of adopting the euro remains open, most businesses will start planning on the assumption that it has been ruled out indefinitely.

"It won't be a great surprise if the UK doesn't join in the first wave in 1993, but there is a great interest in knowing whether this is a temporary delay or a long term rejection," said Mr Kit Farrow, Liba's director general.

Shake-up of takeover body likely

By David Wighton,
Political Correspondent

The Takeover Panel is unlikely to survive in its present form under Labour plans for the reform of regulation in the City of London, senior party figures have warned.

Labour wants to move the City away from self-regulation towards a statutory system and the non-statutory Takeover Panel, which oversees the conduct of takeover bids, is seen as an anomaly.

"The Takeover Panel needs to be put on a statutory basis like other City regulatory bodies will be," said a Labour frontbencher.

The threat will be fiercely resisted by the panel which is widely judged to work well.

Supporters fear that putting the panel on a statutory footing would lead to litigation over the conduct of bids, slowing down the process and increasing costs.

"Bids would get clogged up in the courts just like in the US, and London would lose an important competitive advantage," said one investment banker.

Labour has made no public comments on reform of the panel, and panel officials have been given no hint of plans to change its non-statutory basis.

Although Labour is unlikely to move quickly, one frontbencher said: "It would make no sense to leave the Takeover Panel as a self-regulatory body." He dismissed the panel's arguments against proposals from Brussels to introduce a legal framework for takeover regulation.

Mr Alastair Darling, the director-general of the panel, who is on secondment from SBC Warburg, the investment bank, has been fighting a rearguard action against a proposed European Commission directive which would require voluntary takeover codes to be given statutory backing.

The panel's efforts, which are supported by Germany, Holland and Sweden, have been backed by the Conservative government, but Labour ministers may prove less sympathetic.

Labour's central proposal for City regulation is to merge the existing financial services self-regulatory organisations, such as the Securities and Futures Authority, into the Securities and Investments Board. The SIB would evolve into a statutory regulator answerable to the Treasury, although with close involvement of practitioners.

Labour plans to strengthen the powers under the Financial Services Act for dealing with the victims of pensions mis-selling. It has also proposed bringing mortgages within the scope of the legislation.

But Mr Mike O'Brien, Labour's spokesman on City regulation, has signalled increasing caution over Labour's other main proposal to remove banking supervision from the Bank of England and combine it with securities regulation.

Following the collapse of the Barings merchant bank in 1995, Mr Gordon Brown came close to pledging that responsibility would be shifted to a new banking commission. But the Bank of England has opposed the move and Mr O'Brien has praised the reforms introduced by the Bank following the Barings affair.

While stressing Labour's resolve to tighten up City regulation, Mr O'Brien has also talked about removing unnecessary red tape. In particular, he has proposed a lighter regulatory regime for selling life and savings policies to people on low incomes.

But Labour's most immediate problem will be to find a successor to Sir Andrew Large as SIB chairman. In January, Sir Andrew announced his surprise decision not to seek reappointment after his first term expired at the end of May.

Early mini-Budget to launch windfall tax

By Richard Adams
and Robert Chote

Mr Gordon Brown, the new chancellor of the exchequer, promised yesterday that he would "move very quickly" to put in place a mini-Budget within two months.

The package will be dominated by a windfall levy of 25m (£4.9bn) to 25m on the "excess profits" of privatised utilities, which will pay for "welfare-to-work" measures aimed at cutting long-term unemployment and getting 250,000 young people into jobs.

Mr Brown confirmed yesterday that his first Budget would also cut value added tax on fuel so that old people could benefit before facing winter bills. Reducing the rate from 8 per cent to the 5 per cent minimum allowed under European Union law would cost £400m, partly paid for by removing tax relief on medical insurance for the over-60s at a saving of £10m.

But the big unanswered question is whether Mr Brown will tighten further the overall stance of fiscal policy, as the International Monetary Fund has recommended publicly and as senior Treasury officials are

expected to advise privately. Fiscal policy will tighten automatically if Mr Brown sticks - as he claims he will - to the Conservatives' existing public spending plans for the next two years. But Mr David Walton, economist at Goldman Sachs in London, argues that raising taxes by an extra 24m-25m in the mini-Budget would give Mr Brown more room for manoeuvre in the future and also alleviate most of the need for higher interest rates this year.

Nonetheless, Mr Walton expects political considerations to rule out a significant fiscal tightening so soon after the election. "The burden of policy tightening this year, will, therefore, continue to rest with monetary policy," he said.

Mr Brown has promised not to raise income tax rates or to extend VAT to items such as food and children's clothes. But he still has several options to raise revenue should he choose to do so.

Mr Brown has described the measures to be financed by the windfall tax as the first building block of a new welfare state.

Economists at Goldman Sachs say Labour could raise at least £5bn - col-

lected in two instalments in 1997-98 and 1998-99 - with about £1bn spent annually on training and employment schemes for the young and long-term unemployed during the parliament.

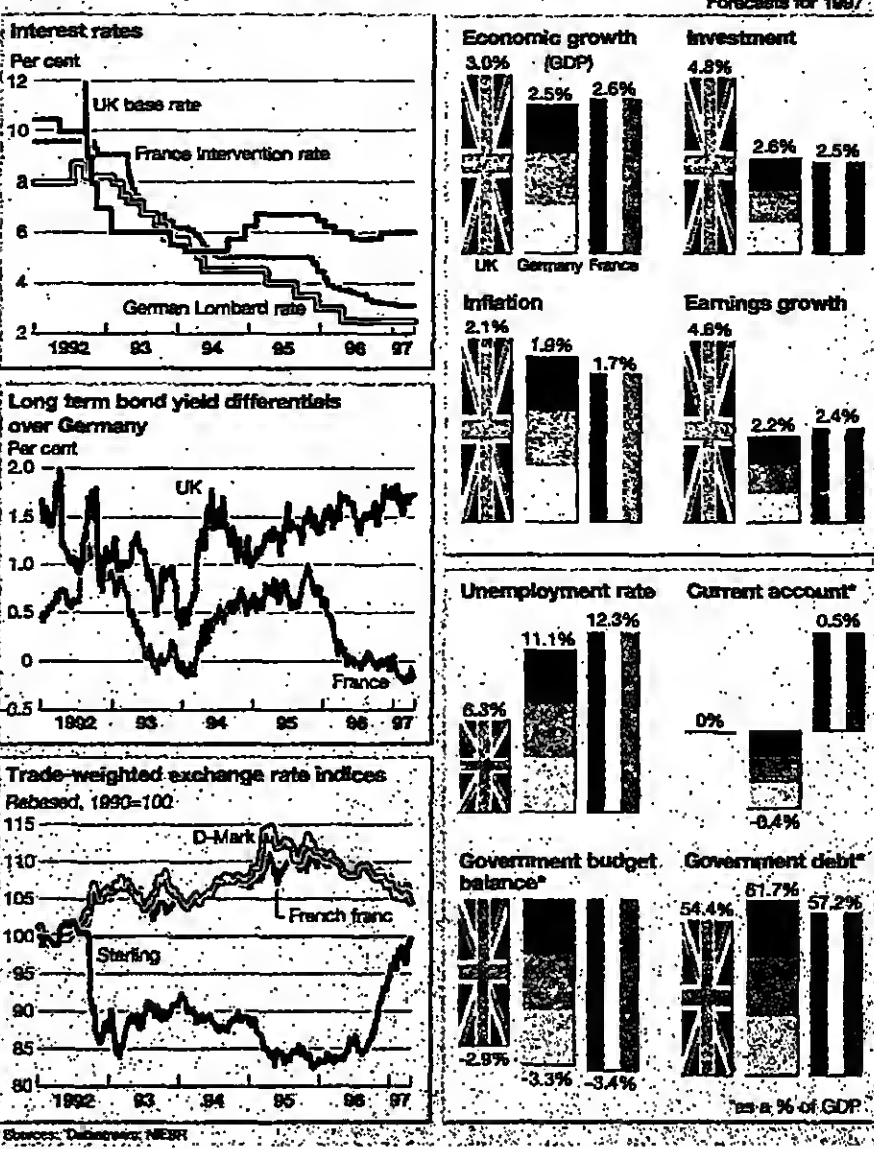
Employers taking on workers unemployed for more than two years will receive a £75 weekly tax rebate, while those employing jobless people aged under 25 will receive £60 a week for six months. Mr Brown hopes such measures will become self-financing through increased tax revenues and reduced benefit pay-outs.

With the windfall tax, "welfare-to-work" and the VAT reduction flagged in advance, the nation already knows much about the shape of the mini-Budget.

But Labour's commitment to observe Conservative spending plans suggests to many analysts that taxes will have to rise.

Mr Brown warned in January that he would not make "blanket commitments on each and every one of more than 200 tax exemptions, reliefs and allowances before we know all the circumstances we will face, including the true state of the public finances".

The new government's economic inheritance



Tories suffer less in local elections

By Alan Pike in London

The Conservative Party gained a little comfort after its crushing general election defeat when the results of Thursday's elections in municipal authorities were declared yesterday.

Elections for English county councils and new unitary authorities were held at the same time as the general election. These resulted in the Conservatives regaining control of a number of England's largest authorities including Hampshire, Kent and Surrey county councils.

UK local government elections often reflect national political trends, and are used by voters to express a view on the popularity of the party in power at Westminster. This had led to the Conservatives becoming an almost negligible force in local government over the past five years.

This week's local elections will considerably increase Conservative influence in local government.

In parts of the country the Conservative success reflects local government reorganisation, which has taken some large urban areas out of county council control. Conservative candidates also regained seats lost when the counties were last contested in 1993. In Lincolnshire the party won 12 seats from Labour, Liberal Democrats and independents to take control of the council.

"It is a striking fact that, on the very day that Labour did so well in the general election, we have seen the beginning of a Conservative revival in local government," said Mr Paul White, leader of Britain's Conservative councillors.

Holding the local government polls alongside the general election more than doubled the usual turnout. In spite of sweeping gains made by Labour and Liberal Democrats nationally, however, there are indications that some voters made entirely separate choices in the two polls.

Sinn Féin victors to step up pressure for role in talks

By John Murray Brown
in Belfast

The City Hall in Belfast, the capital of Northern Ireland, was briefly overrun by triumphant republican supporters yesterday as Mr Gerry Adams, president of Sinn Féin, regained the West Belfast seat that he held between 1993 and 1997.

Mr Martin McGuinness, Sinn Féin's chief negotiator in talks with the British and Irish governments, took the Mid Ulster seat from the Rev William McCrea of the hardline anti-republican Democratic Unionist party.

Sinn Féin, the political wing of the Irish Republican

Army, will for the first time have two MPs in the House of Commons. But they are unlikely to take their seats because of Sinn Féin's insistence that the Westminster parliament has no jurisdiction in Ireland.

The result is certain to increase the party's demands to be included in the multi-party talks about the future of Northern Ireland which are to reconvene on June 3. It will also put renewed pressure on the incoming Labour government ahead of the tense summer season of ceremonial marches by Protestant and Roman Catholic organisations.

Mr Adams said the result sent a clear message to London and Dublin that "the people of West Belfast have a right to be treated as equals".

Mr Tony Blair, the prime minister, said he had no reaction to the result. During the campaign Labour has insisted on a credible IRA ceasefire before Sinn Féin can be admitted to the talks on Northern Ireland's constitutional future.

Ms Mo Mowlam, who is set to be named as Northern Ireland secretary over the weekend, is expected to make a trip to the province early next week.

Mr Gerry Kelly, the con-

victed IRA bomber and Sinn Féin candidate for North Belfast, said the British government "cannot avoid accepting our mandate" to be at talks.

Mr Seamus Mallon, the deputy leader of the nationalist Social Democratic and Labour party, who was re-elected for Newry and Armagh, said the vote for Sinn Féin gave "a blank cheque to the IRA for their activities".

"Every time someone is killed and injured, or kidnapped, they should realise that their vote has contributed to that," he said.

Mr Adams won 25,662 votes, taking the seat held

by the SDLP's Dr Joe Hendron by a wider-than-expected margin of 8,000.

One SDLP official said it appeared his party had been blamed for the failure of the two nationalist parties to make a pact to maximise their votes in constituencies where there is a Catholic majority.

Sinn Féin's performance inevitably attracted most of the headlines and media attention. But the election also saw Mr David Trimble's Ulster Unionists win 10 of the province's 18 seats, up from nine in the last parliament. The Ulster Unionists are the largest pro-British party in Northern Ireland.



Gerry Adams (left) and Martin McGuinness: Sinn Féin now has two MPs in the Commons, although neither is likely to take up his seat. Sinn Féin says the Westminster parliament has no jurisdiction in Northern Ireland

Goldsmith party 'forced Major's team swept away EU onto poll agenda'

By Liam Halligan,
Political Staff

The big gap between the number of votes cast for Labour and Conservative candidates means the 3 per cent polled by Sir James Goldsmith's Referendum party did not greatly influence the outcome, even if it came entirely from disillusioned Tory supporters.

Sir James is the Anglo-French former food retailer who now sits as a member of the European Parliament for a district in France. His daughter, Jemima, is married to Imran Khan, the Justice Movement candidate defeated in the Pakistani national election in February.

Historians may argue that the Referendum party - which has put a 20m dent in Sir James's personal fortune - represents the most expensive irrelevance in British political history.

But it could also be said that Sir James's Eurosceptic activities, if not directly affecting the result, have influenced the nature of the election campaign.

"We've made sure that Europe was more widely discussed," Sir James said yesterday. "Awareness of the issues Britain faces at the Amsterdam inter-governmental summit in June is now greatly increased."

The party claims "complete credit" for the fact that the three main parties all campaigned on the policy of offering a national referendum on monetary union.

"Without us, that would never have happened," said a spokesman. "The political establishment had a pact to keep Europe out of the campaign, but we forced their hands."

A week before the election, "Europe" was the third most important issue in voters' minds according to the MORI polling organisation, behind health and education. At the same stage in 1992, it was only ninth.

However, there is no evidence that the Referendum party was responsible for this. As the election approached, the main parties might have become more sceptical towards the single currency anyway.

Most studies will simply record that, on the night, the party did not come close to winning a seat. Sir James puts that down to an "eleventh-hour attack of nerves" on the part of his supporters.

He maintains that two-thirds of the country backs his policy of a referendum dealing with British-European relations in a broader sense, but that many succumbed to fear.

"Voters want to believe

what their parties tell them," he said.

"Many are frightened of switching their ancestral allegiance from the Tories. It's entirely human."

More serious historians will note creditable Referendum party performances in certain constituencies. Discontent among fishing communities brought the party more than 3,400 votes in St. Ives; Sir George Gardiner, the Tory defector, took 3,300 in Reigate; and in Braintree, the party's 2,100 votes helped unseat Mr Tony Newton, former Leader of the Commons.

Sir James said the party would probably be wound down, continuing as a pressure group.

"We have created the largest protest group this country has known this century. If we have to act again, we must be ready," he said.

The party will adopt a "wait and see" policy on Mr Blair, he said. It will back him if he "stands up" to Europe, and fight him if he proves to be a Europhile.

By James Buxton
in Edinburgh

Scottish Conservatives, shocked by a cataclysmic defeat in the UK general election which left them without a single seat in Scotland, yesterday raised the possibility of abandoning their policy of opposition to constitutional change for Scotland.

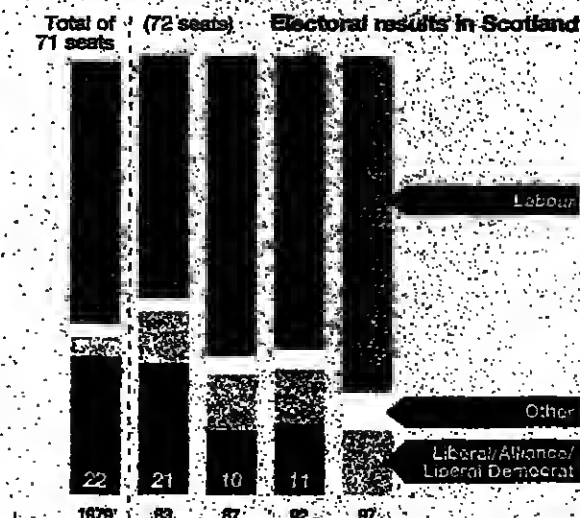
In a reassessment of the Conservatives' policy on devolution following their poll disaster, Mr David McLetchie, president of the Scottish Conservative and Unionist Association, said "nothing should be ruled in and nothing ruled out".

Two well-known personalities in the Scottish party, Mr Brian Meek and Mrs Christine Richard, spoke in favour of devolution in media interviews. Although their support for creating a separate parliament for Scotland is well-known in the Scottish party they have recently been silent on the question.

But Mr Michael Forsyth, the former Scottish secretary who campaigned vigorously in the election against Labour's devolution policy, told a press conference in Edinburgh that "you don't go into an election driven by an issue of principle, and then change your opinion immediately afterwards".

Mr Forsyth, one of a batch of ministers who lost their

Tories are eclipsed



parliamentary seats, would say nothing about his plans. But he maintained "for the immediate future I do not see myself being involved in any political activity".

Mr Jackson Carlaw, deputy chairman of the Scottish Tories, said the party had suffered "a setback of almost Biblical proportions", and would have to change radically if it was ever to recover. It would have to reflect on the lessons which the electorate had given it, he said.

However, Mr Carlaw added: "I think it would be

rather foolish of us to do a complete volte-face on an issue of principle within 24 hours of an election result."

The party will soon have to confront the devolution issue because the Labour government is due to publish a government paper on its plans for an Edinburgh parliament, which are to be submitted to a referendum in the autumn.

The Conservatives will have to decide what policy to advocate in the referendum. A minority of Scottish Tories attribute much of their party's unpopularity in Scotland to the anti-devolution policy.

Others see a forthcoming Scottish parliament as a springboard for the party's recovery. Under Labour plans, the parliament would use a system of proportional representation in electing its members which would mean the number of MPs would be more closely related to the party's share of the vote.

In the general election, the Scottish Conservatives won 17 per cent of the vote in Scotland, compared with 26 per cent in 1992, but failed to win a single seat.

By contrast, Labour took 46 per cent of the vote and won 56 seats, the separatist Scottish National party took 22.2 per cent and won six seats, and the Liberal Democrats won 13 per cent of the vote and took 10 seats.

Mr Alex Salmond, leader of the SNP, claimed the pro-independence party had had one of its most successful general elections ever. In addition to the three seats it won in 1992, it held Perth, which it won in a by-election in 1994, and took two seats from the Tories, including Galloway and Upper Nithsdale from Mr Ian Lang, the former trade secretary.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: 0171-873 3000 Telex: 922186 Fax: 0171-407 5700

Mr Blair's remarkable inheritance

If Baroness Thatcher had buried £1 in the garden of No 10 Downing Street when she became prime minister on May 3, 1979, it would have been worth just 38p when Mr Tony Blair arrived yesterday to dig it up after Labour's victory.

Defeat of inflation was the first priority of the Thatcher government. Eighteen years later, her successor, Mr John Major said that controlling prices had been his most important achievement.

The voters were not impressed. But the legacy of Thatcherism has been profound. It changed the terms of economic debate so radically that Mr Blair freely acknowledges its achievement. And his victory was partly based on the strategy of adopting targets and policies developed by the Conservatives in government. The remarkable depth of this transformation was shown yesterday by the market reaction to the Labour landslide.

UK gilts and equities rose, and sterling showed the merest wobble.

While French socialists still think shorter working hours will cut unemployment, the link between jobs and flexible labour markets is accepted across a wide spectrum of British politics. It was not always so. Soon after her accession, Baroness Thatcher was lecturing her opponents: "Pennies do not come from heaven. They have to be earned here on earth." Preaching was not enough, however. It took a bruising battle with the civil service unions and, more famously, with the miners to force the message home.

Those who cheered Mr Blair into Downing Street yesterday may have forgotten, or never known, the chilling sense during

the late 1970s that Britain had become ungovernable. Unions seemed able to defy the law with thuggish insouciance. Pay increases surged repeatedly against official barriers which leaked and creaked and then inevitably were breached. Sterling had been humiliated in the currency markets and the government had been forced to hand the nation's financial management over to its banker, the International Monetary Fund. After a steady relative economic decline and the depressing cycles of inflation and devaluation, Britain was losing the respect of other industrialised nations. Worst of all, it was losing heart.

If this now seems like a tale from a distant land, that is another measure of the

Conservatives' achievement. When Baroness Thatcher rode in triumph into Downing Street she was, like Tony Blair, young, determined and relatively untried. She was much less dogmatic than the fiery utterances of later years might suggest. The progression from her general desire in 1979 to roll back the frontiers of the state to the huge privatisation programme of the mid 1990s started slowly and even tentatively.

However once started, it gathered a momentum undreamed of even by most Tories. The market value of all the privatised assets now exceeds £100bn. But Conservatives' achievement was less the scale of the sell-off than their success in convincing even

opponents of the advantages of private ownership. To be sure, serious mistakes were made. British Gas should have been broken up. Regulation should have been stronger and more attention should have been given to the possibilities of introducing competition into monopoly industries. However, some of these defects have been remedied. And those which are left should not obscure the fact that this was a huge achievement carried through against fierce opposition.

Privatisation, the curbing of union power and a series of deregulation measures, starting with the abolition of exchange controls, have changed Britain into a much nimbler market economy. Staunch Tories might want to add: the reduction of the

top rate of tax on earned income from 65 per cent to 40 per cent (a cut which Mr Blair now agrees was right). What Baroness Thatcher started with dogged persuasiveness, Mr Major has consolidated with dogged persuasiveness. If he did not win over the electorate this week, he certainly seems to have convinced the opposition.

It is still too early to be sure how much this shift has been reflected in an improvement in the UK's long-term growth potential. However, the continuing fall in unemployment is a pointer to the soundness of the Blair inheritance.

In terms of public finances and inflation prospects, the legacy is less happy. Inflation running at an annual rate of 2.6 per cent is much less than the average of

nearly 6 per cent for the whole Conservative period, but it is above the official target and high by international standards. Public borrowing is also too high and will present an immediate challenge to the Blair government. Nor did the Conservatives succeed in reducing public expenditure much below the 42 per cent of GDP in 1979.

Apart from their bitter divisions over Europe, inflation was their nemesis. The "miracle" of the mid 1980s ended in inflation and then recession, with unemployment reaching 3m. The Conservatives' unpopularity never fully recovered, particularly after the humiliating failure to keep the pound anchored to the anti-inflationary discipline of the European Exchange Rate Mechanism. But this is now a past era. Mr Blair starts with an economy in good running order and, so far, a clean licence.

From the lofty heights of achievement

The new prime minister is in a commanding position, says Philip Stephens



You could breathe the elation in Downing Street. As Tony Blair contemplated his awesome victory, a dozen emotions must have jostled for his consciousness.

Yet he spoke with seriousness and sobriety. In the few short hours between victory and his arrival at the threshold of No 10, Mr Blair had said it a dozen times: "We were elected as new Labour. We will govern as New Labour." He will.

An hour or so earlier John Major has acknowledged the inevitability of his departure not just as prime minister but as leader of his devastated party. With middle-English stoicism, he went to watch the cricket. But it was middle England that turned him out of office.

For the new prime minister, Disraeli's One Nation epithet is no idle daydream. He sees no contradiction between prosperity and social cohesion, no refutation of opportunity for the less fortunate in rewards for enterprise.

We should not expect glitz in the first 100 days. Instead Mr Blair's intent is to demonstrate steadiness and competence. He will take his time. Neither, though, should we be misled by the initial caution. In winning by such an extraordinary margin, Mr Blair has all but assured himself of two terms in government.

There is no need for haste. It is tempting at such moments to strike a contrarian pose, to enumerate the inevitable perils and pitfalls which lie ahead. They are readily listed, ranging from the trivial to the momentous, from the creation of an effective cabinet to the necessary deflation of the extravagant hopes of an expectant nation.

Mr Blair's inner cabinet had spoken for itself. There would always be places at the top table for Gordon Brown, Robin Cook, John Prescott, David Blunkett, Jack Straw, Margaret Beckett and Lord Irvine. The other choices will be more difficult: his erstwhile shadow cabinet is raw in its inexperience, less than a celebration of talent. When he completes his appointments today, Mr Blair will not stick to the rules which say his entire shadow team must be given a place. But neither will there be a bloodbath of the older guard.

Then there is the nation. Mr Blair promised little during the election campaign. That is why

the voters judged it safe to take such brutal revenge on the Conservatives. But human nature lives in hope. There will, at some stage, be great disappointment when it is understood there are no magic wands to be waved over the health and education services, no instant fixes for an economy which looks better than it is. Doubtless too we can expect any number of learned dissertations on the problems of governing with such a large majority.

But there will be time enough for such churlishness. We can look to the hard detail of his dilemmas in weeks and months to come. This is the moment to consider the opportunities presented by Mr Blair's achievement. In policy towards Europe, the nation's political fabric and the welfare state, the prime minister has the latitude to deliver the radicalism he has promised.

Never mind that the election was first and foremost a defeat for the Conservatives. Herbert Asquith in 1906 and Clement Attlee in 1945 were both to sweep to office on an anti-Tory tide. That fact proved no inhibition to their bold ambition.

Take Europe first. This was to have been the election which offered decisive vindication for the Eurosceptics. More than 200 Conservative candidates took the shilling offered by the millionaire Paul Sykes to rule out Britain's participation in a single currency. Sir James Goldsmith spent millions in the cause. Mr Major himself demeaned his campaign by raising the spectre of an uncontrolled slide into a European superstate.

All were brushed aside by an electorate which harboured altogether different aims. While the Conservatives fight over the leadership of their party, Mr Blair can now begin to present Europe as an opportunity, not a threat. Much of the business community can be enlisted to the cause. This does not mean he could, or should, sign in its present form the draft treaty to be presented in Amsterdam next month. There are formidable objections to its proposals for more joint decision-making on foreign policy and border controls and for a flexil-

ity mechanism to allow selective integration.

But there is a deal there to be done. There is a different opening also for Mr Blair in the chaos in the Tory party. A wise prime minister might offer parliament a free vote on any new treaty, seeking to draw Kenneth Clarke, the former chancellor, and his allies into a pro-European cross-party consensus at Westminster.

As for a single currency, I suspect that, even with such a resounding mandate, Mr Blair will choose to remain a step or so behind the vanguard. As of now, there is no provision for the necessary legislation in the Queen's Speech which must be finalised by Tuesday evening. But Gordon Brown, the new chancellor, will not slam the door completely. And in standing aside, the government could yet present itself as a temporary absentee.

Consider next Mr Blair's commitment to political pluralism. Here the election result gives him a unique mandate. In Scotland and Wales, the Conservatives have been obliterated. More importantly, Mr Blair has won a comfortable majority of English seats. A Scottish parliament and a Welsh assembly can no longer be presented by his opponents as a sop to New Labour's Celtic fringe at England's expense.

If he is serious about wider political reform, the prime minister will welcome too the advance of Paddy Ashdown's Liberal Democrats. His majority leaves him free to make his own decisions, but co-operation offers a route to broad public consent for dismantling the centralised state.

In addition, it may not be long before Scottish Conservatives reach the obvious conclusion that their best hope of resurrection lies in an Edinburgh parliament. As for the House of Lords, it cannot pretend it has the right to disrupt the passage of legislation so decisively endorsed by the people. We must hope Mr Blair means what he says when he speaks of a new style of politics.

The outcome in Ulster, which saw the election of Gerry Adams and Martin McGuinness of Sinn Féin/IRA, is less comforting. In its deeds in recent weeks, the

Republican movement has shown it views politics merely as an adjunct to violence. There is no prospect of its immediate entry into the political process.

But even here Mr Blair has a special authority. He can exclude Sinn Féin from multi-party talks in the province for as long as they prosecute their terror. But, if it any stage Messrs Adams and McGuinness were to demonstrate an unequivocal commitment to peace, the prime minister would not live, as had Mr Major, in the shadow of Northern Ireland's unionists.

Then there is the economy. Here Mr Blair is at his most constrained. The advice from the Treasury will be for an immediate rise in interest rates and, most probably, some tightening of fiscal policy in the Budget planned by Mr Brown for June or July. There will also be early battles to be fought in cabinet over the public spending totals.

So far all the new chancellor has told of this Budget is that it will have the windfall tax on privatised utilities and a parallel welfare-to-work programme for the young unemployed. I suspect he would like to be more ambitious, at least in setting the direction of future tax and welfare reform. But once again he has time. There will be five Brown Budgets before the voters return to the polling booths.

As for the Conservatives, their present dismal condition is eloquently described on the adjacent page by Douglas Hurd. What remains of the party at Westminster has a stark choice. It can begin the slow march back to the centre ground of politics surrendered so fatally to Mr Blair. Or it can continue its civil war over Europe and march further along the route to narrow English nationalism. No-one hopes more than Mr Blair that it will choose this latter course, most visibly by opting in the looming contest for the leadership for John Redwood or Peter Lilley rather than for Kenneth Clarke.

The prime minister meanwhile applies his colours to a blank canvas. The Queen's Speech will provide an outline sketch, the Budget will fill some additional detail. He wants to make a mark in these early weeks and months. Politics demands momentum. But the painting will not be completed for several years, perhaps not for a decade. Of one thing, though, we can be certain. It will be a work of the New Labour school.



What can business expect from Labour? There is bound to be uncertainty over the big macroeconomic picture - interest rates, budgets and the exchange rate - though not through any fault of Mr Gordon Brown, the incoming chancellor.

In essence the new resident of Number 11 Downing Street confronts a lop-sided boom in which consumer demand is extremely buoyant. By contrast, the tradeable goods sector of the economy is being remorselessly squeezed as a result of sterling's recent appreciation against the D-Mark.

Sterling's initial response to Labour's victory was to fall, partly on the basis that a Blair government would be more sympathetic to European monetary union and would want a sterling depreciation before making any move.

Yet Labour's commitment to do nothing unless the cabinet, parliament and the electorate have all given their fiat, suggests there may be little action in the life of this parliament.

Gordon Brown will face important economic decisions early on, says John Plender

The business of government

The more potent influence on sterling may thus be the mix of fiscal and monetary policy. Yet the outcome is unpredictable.

A new Labour chancellor has good reason to heed the advice of the governor of the Bank of England in order to establish credibility with the markets. It is a near-certainty, then, that business will face a rise in interest rates after Mr Brown's first monetary meeting with Mr Eddie George next week.

The case for rebalancing fiscal and monetary policy in the summer appears strong given the poor state of public finances, succinctly captured in the latest issue of the National Institute Review.

It is also likely there will be some slippage in the implausibly tight Tory public spending plans that Mr Brown proposes to adopt.

Such a rebalancing, many analysts argue, would have the advantage of taking the pressure off interest rates and sterling. Yet the links between fiscal policy and the exchange rate are indirect and uncertain.

Investors in the world's largest creditor country, Japan, where long bonds look vulnerable on a yield of less than 2½ per cent, may be seduced by nearly 8 per cent on Mr Brown's long-term IOUs in the light of his manifestly orthodox fiscal instincts. Sterling, like gilts, would then see more upward pressure.

Labour has been here before. It is not an easy conjuncture to manage; and there are risks in talking a currency down when trying to establish credibility with the markets.

The politics of a summer Budget that goes beyond the wind-

fall tax on utilities are also difficult. At stake is the fate of British manufacturing, and Labour's ability to deliver non-inflationary growth, investment and jobs.

On microeconomic policy Labour can offer more tangible reassurance. Its manifesto for business emphasised the importance of profits and of competition. The question is whether the new government can live up to that promise.

Equally striking is the effort made in the business manifesto to draw the sting from controversial commitments such as the social chapter. It declares that Labour will not agree to extend qualified majority voting to social security or co-determination in the boardroom.

It will aim to keep matters of pay and the right to strike outside the scope of the social

chapter. And, in considering any new proposals, Labour "will make sure the issues of employability and competitiveness are central to the decision-making process".

Given the waning appetite in continental Europe for such measures, Tory scaremongering on this score looks overdone.

As for the minimum wage, Goldman Sachs, the investment bank, argues that it is unlikely to be set at more than £2.50 - far below the level demanded by the unions. Because of the potential risks to employment, it adds, Labour's instincts will be to err on the side of caution. On industrial relations, there are firm pledges against turning back the clock.

Taxation raises a more difficult question. The declining yield from corporation tax and its bias towards dividend distri-

bution make it an obvious case for treatment.

If tax-exempt pension funds lose more of their tax credit on dividends, that cost will ultimately fall on industry. The implications for business of Labour's proposals in the main manifesto for stakeholder pensions are hard to assess until more flesh is put on the bones.

As for Labour's interest in a tapering rate of capital gains tax, the avoidance opportunities pointed out by the Commission on Public Policy and British Business may well swing the argument against it.

In competition policy, there are signs that Labour's enthusiasm for subjecting hostile takeovers to a public interest test has cooled. It would not be surprising if efforts to slow the frenetic trade in companies were to take the form of moral suasion to

revise the Takeover Code. The level of shareholding at which a predator company is obliged to make an offer to all shareholders could, for example, be reduced. Many in the City would scarcely bat an eyelid.

Whether Labour will find it any easier than the Tories to put private-sector money and management to work in the public sector remains to be seen. But its plan to have every government department draw up a publicly visible asset register by November is a sound financial discipline and an intriguing business opportunity for the private sector.

The one area where Labour's pro-business stance evaporates concerns the windfall tax and the utilities. In the business manifesto, Mr Brown talks of the need for a fair, as well as a prosperous, society. The implicit warning is clear. Corporate malpractice may prompt a backlash.

But the key to success for the new Labour government remains macroeconomic policy. The right decisions on sterling, the first budget and European monetary union are all crucial.

It is natural after being cast into the wilderness to spend the first days complaining about the rocks, the heat and the poor quality of the water. After that, you have to start making things grow.

This will not be easy for the Conservative party. But there is no choice if we are to survive in the wilderness and return at a distant day to the promised land.

No one can blame John Major for calling it a day. He owes the Conservative parliamentary party nothing. The debt is the other way round. He fought a good campaign.

Indeed the high point of the election came when he hijacked a morning press conference and party election broadcast to put over his personal and powerful case on Europe. By contrast too many Conservative MPs in the last parliament cast self-indulgence to the point of disloyalty. The clearest tribute to him is the extent to which Tony Blair has appropriated his policies and announced an intention to build on them.

The main difficulty of the new government will take some time to emerge. Although the spending pledges in the Labour manifesto were limited, the expectations aroused in the constituencies are huge.

People support New Labour because they believe it will provide extra money for schools, hospitals, pensions, and every other good public cause. The size of the Labour majority will add to these expectations.

This makes it even more difficult for Gordon Brown to insist that "Tory cuts" are now Labour cuts and that he must hold to his spending totals for two years, as he has pledged. As the months pass, this subject may provide the most fertile field for intelligent opposition.

The main problem for the Conservatives remains Europe. Those of us who believe strongly in British membership of the European Union have to acknowledge that the voters showed a real anxiety about the course of the EU and strong opposition to total integration.

The UK's partners in Europe would be foolish to suppose this is the result of



Direction out of the wilderness

Douglas Hurd argues that the Conservatives need to develop a balanced vision of Europe

weak Conservative leadership. It is a political fact for all British governments. Indeed our partners need to beware of similar reefs under the surface of their own political life.

Unfortunately that fact misled some Conservatives into supposing there was a pot of votes if they showed themselves sufficiently nationalist and scornful of our European partners.

In this they were urged on by the press. It is a damaging accident that all five of the national daily newspapers most often read by Conservatives have for years been deeply critical of the Conservative government's policy towards Europe.

That is their right. But the result has been a dearth of factual reporting of what happens on the continent.

The pot of anti-European votes was just not there. What was evident was confusion and dissent. This self-inflicted damage is not new. Over the years valid British proposals on Europe - for example in the government's white paper last year - have been continuously obscured and robbed of their strength by apasms of apparently uncontrollable emotion.

The Conservative party now has a chance to cure itself. We should not wander further into the wilderness as Labour did under Michael Foot after the defeat in 1979.

We should not delude ourselves that we lost because we were not sufficiently dogmatic or extreme. We should indeed continue strenuously to oppose the social chapter. Here the Labour party is out of date. It is joining the reactionary tendency in the EU which

lionaires - one threatening candidates with opposition from the Referendum party, the other offering a juicy carrot to candidates who diverged from official policy on the single currency.

All this amounted to not an outburst of patriotic fervour but to the appearance of a nervous breakdown. The British electorate has joined our partners on the continent in making this assessment. They have their doubts about Europe but they are not daft.

The Referendum party was humiliated and there has been a big swing to parties which are to some extent more favourable to European integration than the Conservatives. Looking at the constituency figures it is hard to detect a relationship between the swing against a Conservative candidate and his or her views on Europe.

still hangs on to the belief that a regulated labour market and high social costs are an essential mark of European civilisation. France, Germany and Italy are struggling to lighten these burdens on themselves just as the Labour party proposes to clamp them on the UK.

As regards the single currency, there is no need and no advantage for the Conservative party to alter its line. I am not a fan of the project and continue to believe, as I argued in the Financial Times more than a year ago, that it should be postponed in Europe's interest.

But if it goes ahead more or less on time, if it succeeds and if we begin to lose blood as a result of staying out of government, parliament and the people in a referendum will need to weigh those facts against the political price of joining.

These are big ifs. They may not come to pass. The elements in the equation do not exist at present for a valid judgment. But the possibility does exist in the medium term and it is not realistic to rule it out.

The Conservative party needs to get back into closer contact with British business on European issues. We drifted too far apart, with the result that more and more business leaders found our rhetoric was damaging Britain's interests even if they broadly supported our policies.

Above all, we need to bring some balance back into the presentation of European issues. Our leaders need to return to emphasising, as they once did, the big advantages to Britain of completing the single market, of co-operating in foreign policy in Europe, of enlarging the European Union to include in the near future at least the successful central European countries.

Once the advantages are stressed, accompanying criticisms can carry some weight. All this will take time to think through and get right. But as it happens, time for reflection and for the renewing of relationships is the one thing which the electorate has bestowed on us.

The author was foreign secretary 1989-95

The torture of the minister in waiting

Many Labour MPs will stick close to the phone this weekend waiting for that call

Two days after Winston Churchill won the 1951 general election, a successful Conservative MP entertained some friends to a celebratory Sunday lunch. He had high hopes of being asked to join the new government, but thus far the telephone call had not come.

Halfway through lunch, the butler - Tory MPs still had hutters in those palmy days - entered the room and announced: "Mr Churchill is on the line, sir." The assembled company fell silent as their host walked quickly to the telephone in the hall.

"Randolph here," a voice boomed. After a long pause, Winston's son inquired: "Were you expecting a call from someone else?"

Several scores of Labour MPs will be going through a comparable torture by telephone this weekend. Early yesterday morning, the campaign was finally over. The battle won, the triumphant candidate swore loyalty to the constituency, embraced the family, thanked the cheering supporters, learnt the party leader would be on the way to the Palace in the afternoon and started to wonder.

Does the chief whip know they have recently moved house? Does he have the new phone number? Better stay at home and make certain no call is missed.

So the family outing to the cricket match on Saturday afternoon is cancelled. On Sunday the in-laws are persuaded that lunch had better be at the MP's home rather than at their place.

By Monday the situation is becoming desperate. The children start asking if anything is wrong. A call to BT provides the unwanted assurance that the telephone line is in perfect working

order. A burst of irritation follows when one of the teenagers occupies the phone for too long.

The call finally comes minutes before the Six O'Clock News when a further list is to be announced. The relief is such that determination to stick out for one of the big departments - Treasury, Home or Foreign Office - evaporates with the official's preamble: "The prime minister would like a word with you."

A parliamentary under-secretaryship at the agriculture ministry is accepted with pleasure and a promise of undying support.

The job accepted, the backbencher becomes a minister of the Crown. Another call will come, this time from the secretary of state. After the congratulations, the junior minister will be told his responsibilities and, inevitably, his new boss will suggest a first meeting that night or, at the latest, the following morning. Family farewells are said, diaries scraped, and life in Whitehall begins.

The process by which ministers are chosen is the stuff of legends. Stories abound of prime ministers ringing the wrong man with the right name or not knowing their junior colleagues.

In 1895, when government was much smaller than now, the Pall Mall Gazette reported the following incident when Lord Salisbury, then prime minister, was

walking across Horse Guards Parade with Mr Akers-Douglas, his chief whip. A gentleman passed and just raised his hat.

"Douglas," said the prime minister blandly, "pray, who is that fresh-looking young man?"

"That, Lord Salisbury," answered the whip, "is a member of your government - Walter Long, the parliamentary secretary to the Local Government Board."

But out of this extraordinary process, with its lists and endless revisions of lists, comes a new government. It is a melding together of more than 100 people, few of whom have ever worked with each other. On their collective shoulders lies responsibility for the country.

I remember my first morning at the Foreign Office and my sense of sheer amazement when I walked into a high Victorian room and two young men snatched to their feet and said in unison: "Good morning, minister."

That same day, after countless briefing meetings, I went home laden with three red boxes. "My first red boxes," I said with some pride to my new government driver.

"Yes," he said, "you'll find it hard to get away from those." He was so right. Looking back on those exciting ministerial days, I wish well to the recipients of the telephone calls. It is worth the wait, but remember the words from Milton's Lycidas: "Fame is the spur that the clear spirit doth raise/To scorn delights and live laborious days."

The warning is just two lines later: "Comes the blind Fury with th' abhorred shears/And slits the thin-spun life."

Enjoy the red boxes while you have them.

Tim Renton

The author served as minister under Baroness Thatcher and John Major, including as chief whip 1989-90.

Renton wishes the recipients of calls well

Samuel Brittan

Better than you deserve

Labour could have won the election on a much more anti-capitalist platform

Supporters of the Thatcher revolution may feel sore that the high places of government - including the advisers and people running quangos - are to be filled by people who are not "one of us".

More highbrow supporters of competitive market capitalism may feel the electorate needs to go back to school.

Members of both these overlapping camps should, however, take heart. If New Labour has made even a fraction of the changes in attitude that its leader, Tony Blair, has promised, UK capitalism will be far more unconstrained than the electorate really desires.

It has occurred to me frequently since Mr Blair became Labour leader that his party would have almost certainly been on course for victory even if the process of policy reform had gone no further than Neil Kinnock was able to take it. Indeed, Labour would quite likely have won with a younger version of Michael Foot - if the image-marchants could have persuaded him to jettison his duffle coat and stick.

This is because the British public remains hopelessly collectivist in its attitudes. Opinion polls today concentrate on performance issues rather than policy issues. They ask people how well various parties have performed or are likely to perform. Yet there are some policy attitudes to be discerned - particularly in the British Social Attitudes Survey, the most authoritative long-term snapshot of public opinion in the UK.

In spite of the fact that the Conservative government did little more than stabilise the public spending ratio, a large majority now say they want it to go higher still. And most people say they want more spending on health, education and social benefits - even if it means they have to pay more tax.

There may be some hypocrisy and self-deception here. Labour's ill-fated "shadow" Budget presented before the 1992 election is widely blamed for the party's defeat, with its promise of higher taxes to pay for higher benefits. But it is difficult to dismiss the findings that more than 60 per cent favour "tax and spend" and only 5 per cent support the reduction of taxes.

It is, of course, possible for an enlightened pro-capitalist to support greater social spending and a measure of redistribution. But anyone hoping that the public would like more cash redistribution or vouchers so citizens could make up their own mind on spending their transfer incomes would be whistling in the dark in view of the contrary survey evidence.

A much greater priority for unemployment over inflation could simply reflect the fact that inflation is now very low. But alas it does not a similar order of priorities was shown in earlier years when unemployment was lower and inflation much higher.

Another answer shows the prevalence of the illusion that we can help the less well-off by transfers from "the rich" without affecting middle-income pockets. The support for higher unemployment pay will not encourage those economists who believe that a high benefit floor has a lot to do with European unemployment levels. As for "Big business

benefits owners at the expense of workers", I am afraid this represents something much more hostile than a call for tighter anti-monopoly laws.

Specific questions on what macro-economists regard as hard-core policy matters are more rarely asked today. But the questions asked by the survey well into the 1980s showed a majority of respondents still believed that inflation was best tackled by price controls - even after nearly a decade of Margaret Thatcher. This is like controlling a burst pipe by putting your finger in the tap.

Majorities also believed that unemployment should be tackled by the self-impoverishing route of job-sharing and compulsory reduction in hours. Why then should the mass media bother to attack the European social chapter? British popular desires to control pay and working conditions go far beyond the interpretation put on the chapter by most European Union governments. (The latter, of course, now want to shift the emphasis towards making labour costs more competitive.)

Even when there were pro-business sentiments in the surveys of the 1980s, they were very anti-free market. For example there was strong support for the idea that "the government" should invest in British industry, and also that it should protect UK companies by import controls.

Thus it is partly a matter of luck for those of us who believe competitive capitalism is the least bad economic system that Labour elected a leader who partially shares this belief and yet has managed to maintain control of his party. One does not have to be starry-eyed about this. Mr Blair had nothing to lose from making victory doubly sure by carrying along a group of business faces in addition to the regulation army of luvvies, dons and media types.

But office will be different. The real battle for ministers will not be to defend residual slightly left measures such as the windfall tax. It will be to explain - as James Callaghan sometimes tried to do - the benefits of profits, incentives and competition to an indifferent or hostile public.

A survey of my own, conducted in the 1970s among UK political commentators, economists and politicians, showed that although the Conservatives had succeeded in making nationalisation a dirty word, the vast majority had, almost irrespective of partisan preference, no conception of the function of markets and prices.

Does any of this matter? As Adam Smith said: "There is an awful lot of ruin in a nation." If most people understood how the economic system worked there would be no need for economists except to produce highly dubious numerical estimates so we could all have a good laugh.

Rather more important: it is the function of leaders to lead. If they understand what needs to be done - even if only intuitively or through having the instinct to take the right advice - with luck the population will follow. We have had too many politicians who echo the German playwright Bertolt Brecht, "I am their leader, I must follow them."

But I am left with the question of whether there is such a thing as economic literacy. Is there a body of data and plausible cause-and-effect relationships which could be shared by everyone from Milton Friedman to modern-minded left-of-centre finance ministers? And if there were, who would be prepared to listen?

Economic Ideology

By area (%)

Scotland North Wales Midlands London South

Unemployment should be a higher priority than inflation

There is one law for the rich and one for the poor

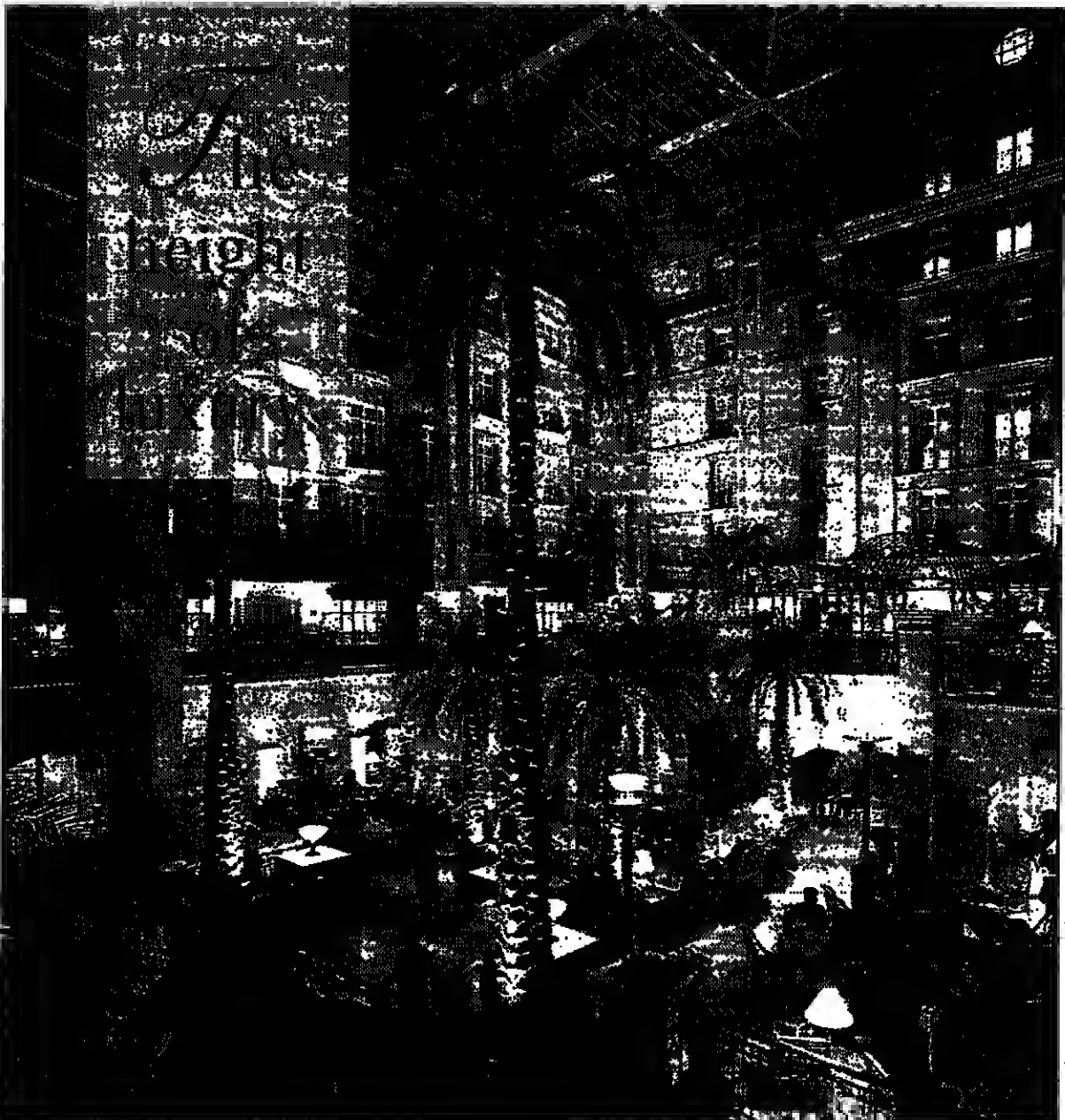
Ordinary people do not get their fair share of the nation's wealth

Unemployment benefit is too low and causes hardship

Big business benefits owners at the expense of workers

Government should redistribute income from the better-off to the less well-off

Source: British Social Attitudes, 13th report, 1996, 1997



People who appreciate the finer things in life feel at home in The Landmark London. In part, it is the visual magnificence of this graceful five star hotel, symbolised by the soaring eight storey high atrium, that attracts them. Yet, from guest bedrooms that are amongst the most spacious in London to the imaginatively prepared cuisine served in each of its three restaurants, The Landmark displays a style that strikes a chord with people who, in matters of taste, do not believe in compromise.

THE LANDMARK LONDON, 222 MARYLEBONE ROAD, LONDON NW1 6JQ
TELEPHONE +44 171 931 8800 FAX +44 171 831 8800
http://www.landmarklondon.co.uk/

Recognised by

SUMMIT

★★★★★

the Landmark LONDON

AS INDIVIDUAL AS YOU ARE

COMMODITIES AND AGRICULTURE

Copper flat despite end of strike

MARKETS REPORT

By Gary Mead

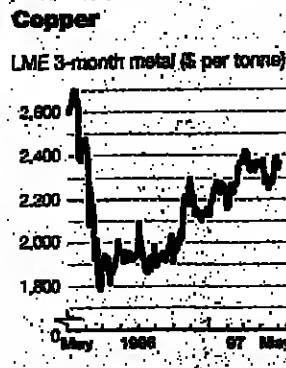
The shadow of the long weekend hung over trading on the London Metal Exchange yesterday, with even copper - which has undergone a volatile couple of weeks - drifting lower.

Reports that the short-lived strike at Chile's Escondida copper mine had ended appeared to have little influence on closing prices. The three-month contract ended the day unchanged, at \$2,360, having earlier fallen as low as \$2,336 a tonne, on news that LME stocks had increased 2.175 tonnes. The premium for cash metal over three-months eased to \$70.

Oil prices also edged lower, for the second day running. The benchmark June contract for Brent was sharply down, by 35 cents, to \$17.94 in late trading on the International Petroleum Exchange. Traders pointed to unusually warm weather in Europe, as well as increasing crude supplies as western refineries get back to capacity after maintenance work, as factors.

Cocoa failed to recover much recent lost ground, as the July contract close \$5 higher at \$594 a tonne, in thin volume trading on the London International Financial Futures Exchange. The market's perception that Ivory Coast supplies will be better than forecast was seen as making more unlikely a rally in the short term.

The London-New York split over coffee prices, with the London-traded robusta



LME 3-month metal (\$ per tonne)

Source: London Metal Exchange

Commodity	Price	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

Commodity	Stocks	Change
Aluminium	755.50	-2.00
Aluminium alloy	65.00	-2.00
Copper	147.25	-1.75
Lead	113.25	-1.00
Nickel	50.25	-1.00
Zinc	432.50	-1.00
Tin	11,250	+80

LME warehouse stocks

victory in the UK, the French centre-left may be

CURRENCIES AND MONEY

Sterling firm

MARKETS REPORT
By Simon Kuper

The pound emerged firm from yesterday's landslide victory for the Labour Party in the UK general election. Sterling nosedived in the early morning on profit taking, losing almost 5 pence against the D-Mark at one point when the scope of the Labour win had become clear. But in late US trading yesterday the pound was at DM2.803 to the D-Mark, and £1.6205 to the dollar, up 1.1 pence and down 0.35 cents from Thursday's London close.

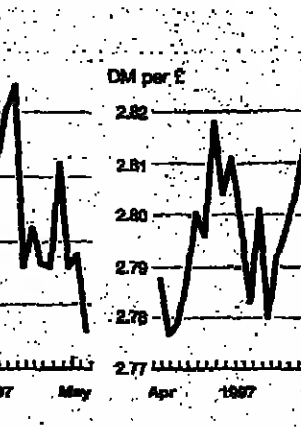
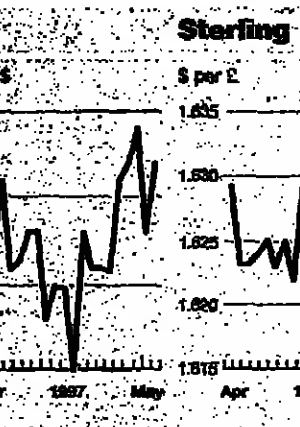
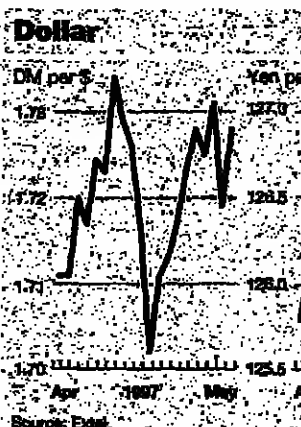
The market expects a UK base rate rise of at least 25 basis points after the scheduled meeting on Wednesday between Mr Gordon Brown, the incoming chancellor, and Mr Eddie George, governor of the Bank of England.

However, speculation was growing that in the medium term Mr Brown may try to

cool the economy chiefly by raising taxes, while increasing rates only modestly. A newspaper article urging this policy on him was widely quoted.

Short sterling futures contracts rallied as rate prospects fell. The December 1998 contract rose 6 basis points to price in base rates of below 7.50 per cent. Short-end contracts barely moved.

The dollar firmed on strong US stock and bond markets. A modest rise in



the dollar was 90.3 firmer against the yen at ¥126.5 and 0.95 pence stronger against the D-Mark at DM2.803. The Canadian dollar gained on lower expected US interest rates. The Irish punt rose after Thursday night's rate increase.

The market also wants to know what the massive Labour majority means for government policy. Will it enable Mr Tony Blair, the prime minister, to ignore the left of his party, or will it make him more radical? The first answers should emerge fast, with Wednesday's monetary policy meeting set for intense scrutiny. Then in July comes Labour's mini-budget, which is expected to raise taxes. But because Labour was so tight-lipped during the campaign, few in the market have much of an idea of how large the increases will be.

Mr Joe Prendergast, foreign exchange strategist at Merrill Lynch in London, said many of Labour's early policies were likely to transfer costs to business. He cited the expected corporate

tax rises, and the introduction of a minimum wage and the European Union's "social chapter". This meant that Labour may choose to compensate business by raising rates only slightly, he said.

Mr Ron Leven, currency strategist at J.P. Morgan in New York, spoke for many when he confessed: "On the near term it is very hard to have any clear feeling of which way sterling is going. We don't have a good feel. Our preference just now is to have long volatility."

POUND SPOT FORWARD AGAINST THE POUND

May 2	Closing mid-price	Change on day	5 days forward	1 month forward	3 months forward	6 months forward	1 year forward	JP Morgan
Europe								
Austria (Sch)	10.8851	+0.0023	7.56	18.407	19.8418	2.7	10.8851	2.0
Belgium (BF)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Denmark (DK)	10.8487	+0.0022	448	10.8740	10.8520	10.8277	2.5	10.8482
France (FF)	6.4228	+0.0044	128	6.4250	6.4210	6.4170	2.5	6.425
Germany (DM)	2.7870	+0.0001	857	2.7889	2.7892	2.7904	2.9	2.7789
Greece (Dr)	444.447	+0.21	140	445.517	439.181	439.181	0.8	445.517
Ireland (Ir)	1.0250	+0.0022	688	1.0260	1.0260	1.0260	0.8	1.0260
Italy (L)	2771.32	+7.14	081	2774.52	2774.10	2775.32	-1.6	2760.17
Luxembourg (L)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Netherlands (F)	3.1483	+0.0057	448	3.1539	3.1518	3.1532	3.1	3.1294
Norway (Nkr)	11.4855	+0.022	729	11.5248	11.5404	11.4556	2.8	11.4075
Portugal (Esc)	200.482	+0.483	800	200.965	200.858	201.088	-0.8	201.33
Spain (Pta)	235.628	+0.48	812	236.740	236.800	236.800	-0.7	235.628
Sweden (Skr)	12.8893	+0.0181	753	12.9078	12.9078	12.9078	1.8	12.8893
Switzerland (Sfr)	2.3825	+0.0017	609	2.3845	2.3838	2.3837	4.5	2.3555
UK	1.6205	+0.0018	229	1.6225	1.6210	1.6215	1.6	1.6205
USA	1.6205	+0.0018	229	1.6225	1.6210	1.6215	1.6	1.6205
SDR	1.188300							
Americas								
Argentina (Piso)	1.6176	+0.0002	171	1.6178	1.6106	1.6106		
Brazil (R)	1.7218	+0.0054	211	1.7241	1.7029	1.7029		
Canada (Cdn)	2.2268	+0.0058	358	2.2321	2.2184	2.2184	3.1	2.2203
Mexico (New Pes)	12.8400	+0.0088	980	12.8492	12.8494	12.8494	0.6	12.8492
USA	1.6205	+0.0018	229	1.6225	1.6210	1.6215	1.6	1.6205
Pacific/Asia/East/Africa								
Australia (A\$)	2.0828	+0.0054	608	2.0877	2.0848	2.0827	0.1	2.0818
Hong Kong (Hk\$)	12.8370	+0.0438	328	12.8807	12.8324	12.8324	0.4	12.8314
India (Rupee)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Indonesia (Rp)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Japan (Y)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Malaysia (M)	4.0383	+0.0118	572	4.0501	4.0402	4.0402	-1.5	4.0387
New Zealand (NZ\$)	2.2417	+0.0132	401	2.2549	2.2503	2.2446	-1.5	2.2487
Philippines (P)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Saudi Arabia (S)	6.6860	+0.0213	889	6.7073	6.6804	6.6804		
Singapore (S\$)	2.2417	+0.0132	401	2.2549	2.2503	2.2446	-1.5	2.2487
South Africa (R)	7.2043	+0.0185	989	7.2228	7.2126	7.2126		
South Korea (W)	145.05	+0.48	989	145.538	145.05	145.05		
Taiwan (T\$)	44.7556	+0.443	284	44.8703	44.8225	44.8225		
Thailand (Bt)	42.2431	+0.1896	886	42.3020	41.7970	41.7970		

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

May 2	Closing mid-price	Change on day	5 days forward	1 month forward	3 months forward	6 months forward	1 year forward	JP Morgan
Europe								
Austria (Sch)	12.1648	+0.0095	627	12.1890	12.1040	12.0806	1.5	12.0353
Belgium (BF)	55.5710	+0.0025	450	55.5860	55.5010	55.4085	2.0	55.281
Denmark (DK)	6.8818	+0.0048	822	6.8871	6.8490	6.8314	1.6	6.812
France (FF)	5.2089	+0.0049	94	5.2138	5.1789	5.1522	2.0	5.1304
Germany (DM)	5.2089	+0.0049	94	5.2138	5.1789	5.1522	2.0	5.1304
Greece (Dr)	274.655	+1.11	580	275.150	272.810	271.5	-8.8	277.87
Ireland (Ir)	1.0250	+0.0022	688	1.0260	1.0260	1.0260	0.8	1.0260
Italy (L)	1712.57	+10.52	250	1714.46	1701.25	1705.45	-2.1	1710.3
Luxembourg (L)	55.5710	+0.0025	450	55.5860	55.5010	55.4085	2.0	55.281
Netherlands (F)	1.9444	+0.0105	448	1.9484	1.9389	1.9301	2.4	1.9221
Norway (Nkr)	7.0945	+0.0118	921	7.1155	7.0333	7.079	0.5	7.0734
Portugal (Esc)	173.650	+0.005	590	173.650	173.650	173.650	-0.9	172.78
Spain (Pta)	145.755	+0.55	720	145.900	145.180	145.335	-0.7	145.455
Sweden (Skr)	7.8379	+0.0181	354	7.8480	7.7830	7.817	0.4	7.8072
Switzerland (Sfr)	1.4723	+0.0083	715	1.4735	1.4685	1.4612	3.9	1.4518
UK	1.6205	+0.0018	229	1.6225	1.6210	1.6215	1.6	1.6205
USA	1.6205	+0.0018	229	1.6225	1.6210	1.6215	1.6	1.6205
SDR	1.188300							
Americas								
Argentina (Piso)	0.9598	+0.0003	896	0.9598	0.9598	0.9598		
Brazil (R)	1.0641	+0.0005	632	1.0642	1.0638	1.0638		
Canada (Cdn)	1.3824	+0.0109	821	1.3889	1.3815	1.3804	2.5	1.3852
Mexico (New Pes)	7.9125	+0.0275	100	7.9170	7.9070	7.9058	-17.8	8.2245
Pacific/Asia/East/Africa								
Australia (A\$)	1.2747	+0.0012	738	1.2780	1.2744	1.2742	-0.7	1.2725
Hong Kong (Hk\$)	7.7478	+0.0007	470	7.7480	7.7467	7.7467	0.0	7.7467
India (Rupee)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Indonesia (Rp)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Japan (Y)	128.350	+0.0007	989	128.350	128.350	128.350	-7.2	128.350
Malaysia (M)	2.0828	+0.0118	572	2.0877	2.0848	2.0827	0.1	2.0818
New Zealand (NZ\$)	2.2417	+0.0132	401	2.2549	2.2503	2.2446	-1.5	2.2487
Philippines (P)	57.7228	+0.1216	648	57.8428	58.8010	57.5978	2.6	57.3378
Saudi Arabia (S)	6.6860	+0.0213	889	6.7073	6.6804	6.6804		
Singapore (S\$)	2.2417	+0.0132	401	2.2549	2.2503	2.2446	-1.5	2.2487
South Africa (R)	7.2043	+0.0185	989	7.2228	7.2126	7.2126		
South Korea (W)	145.05	+0.48	989	145.538	145.05	145.05		
Taiwan (T\$)	44.7556	+0.443	284	44.8703	44.8225	44.8225		
Thailand (Bt)	42.2431	+0.1896	886	42.3020	41.7970	41.7970		

THREE MONTH EURO CURRENCY FUTURES (LIFE) DM1m points of 100%

May 2	Open	Settle	Change	High	Low	Est. vol	Open Int.
Jun	96.43	96.42	-	96.45	96.40	17,773	65,341
Jul	96.52	96.52	+0.02	96.54	96.50	13,414	53,991
Aug	96.49	96.49	+0.02	96.50	96.46	183	34,179

THREE MONTH EURO CURRENCY FUTURES (LIFE) DM1m points of 100%

May 2	Open	Settle	Change	High	Low	Est. vol	Open Int.
Jun	96.78	96.78	-	96.79	96.77	13,458	23,756
Jul	96.73	96.72	-0.01	96.74	96.71	17,939	20,980
Aug	96.82	96.82	+0.02	96.83	96.80	15,277	23,127
Sep	96.87	96.85	-0.02	96.88	96.84	12,747	16,119

ONE MONTH EURO CURRENCY FUTURES (LIFE) DM1m points of 100%

May 2	Open	Settle	Change	High	Low	Est. vol	Open Int.
Jun	96.81	96.81	-	96.81	96.81	0	412
Jul	96.80	96.80	-	96.80	96.80	0	728
Aug	96.79	96.79	-	96.79	96.79	0	300
Sep	96.77	96.77	-	96.77	96.77	0	300

THREE MONTH EURO CURRENCY FUTURES (LIFE) DM1m points of 100%

May 2	Open	Settle	Change	High	Low	Est. vol	Open Int.
Jun	96.85	96.85	-	96.85	96.85	0	77.8
Jul	96.85	96.85	-	96.85	96.85	0	77.8
Aug	96.85	96.85	-	96.85	96.85	0	77.8
Sep	96.85	96.85	-	96.85	96.85	0	77.8

THREE MONTH EURO CURRENCY FUTURES (LIFE) DM1m points of 100%

May 2	Open	Settle	Change	High	Low	Est. vol	Open Int.
Jun	96.85	96.85	-	96.85	96.85	0	77.8
Jul	96.85	96.85	-	96.85	96.85	0	77.8
Aug	96.85	96.85	-	96.85	96.85	0	77.8
Sep	96.85	96.85	-	96.85	96.85	0	77.8

CROSS RATES AND DERIVATIVES

May 2	Open	Settle	Change	High	Low	Est. vol	Open Int.
Jun	0.8622	0.8608	-0.0014	0.8633	0.8598	21,725	62,521
Jul	0.8589	0.8589	-0.0013	0.8597	0.8580	51	3,323
Aug	0.8510	0.8505	-0.0005	0.8510	0.8505	10	328

EXCHANGE CROSS RATES

Country	Est. Vol	Open	Settle	Change	High	Low	Est. vol	Open Int.
Belgium (BF)	100	498.7	408.7	21.97	412.9	1.8	1,128	1,408
Denmark (DK)	54.20	263.8	220.15	1.91	229.8	0.988	1,128	1,408
France (FF)	61.21	257.9	230.2	1.94	236.7	1.1	1,128	1,408
Germany (DM)	50.28	10.4	9.43	0.988	0.988	0.945	801.8	3,549
Italy (L)	2.083	256.9	217.4	11.88	219.6	0.988	1,128	1,408
Netherlands (F)	16.35	10.4	8.15	0.54	0.08	0.08	1,128	1,408
Norway (Nkr)	50.28	98.29	74.98	4.051	0.757	0.757	1,128	1,408
Portugal (Esc)	20.55	24.47	24.47	0.000	0.000	0.000	1,128	1,408
Spain (Pta)	24.47	100	53.96	4.514	0.948	0.948	1,128	1,408
Sweden (Skr)	45.52	119.1	100	5.375	1.010	1.010	1,128	1,408
Switzerland (Sfr)	57.72	221.5	186.0	7.0	1.879	1.879	1,128	1,408
UK	25.79	24.47	24.47	0.000	0.000	0.000	1,128	1,408
Canada (Cdn)	35.67	280.3	235.9	12.96	238.3	0.988	1,128	1,408
USA	28.14	125.6	105.4	5.66	1.095	1.095	1,128	1,408
		173.5	143.5	7.537	1.473	1.473	1,128	1,408
		357.0	315.0	11.6	1.162	1.162	1,128	1,408
		119.0	104.6	8.548	1.663	1.663	1,128	1,408

Escudo, Lira and Ptas per 100.

JAPANESE YEN PRICES (MM YEN)				
	Open	Settle	Change	
un exp	0.7948	0.7828	-0.0018	
exp	0.8033	0.8046	-0.0007	
tes		0.8165	-	

STERLING FUTURES (MM £25.00)			
	Open	Settle	Change
un exp	1.6220	1.6082	-0.0134
exp	1.6300	1.6060	-0.0140
tes	1.6500	1.6500	-0.0728

UNIT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

Johnson Fry Soter Growth	1,381
HSBC Hong Kong Growth	1,306
Invesco Hong Kong & China	1,284
Save & Prosper Financial Secs	1,260
Abbey Latin American	1,233

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc	429
F&G Japanese Smaller Cos	510
Save & Prosper Korea	511
Edinburgh Japan Smaller Cos	521
Fidelity Japan Smaller Cos	528

Save & Prosper Fin Secs

Johnson Fry Soter Growth	1,381
HSBC Hong Kong Growth	1,306
Invesco Hong Kong & China	1,284
Save & Prosper Financial Secs	1,260
Abbey Latin American	1,233

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc	429
F&G Japanese Smaller Cos	510
Save & Prosper Korea	511
Edinburgh Japan Smaller Cos	521
Fidelity Japan Smaller Cos	528

TOP FIVE OVER 3 YEARS

PM North America Growth	2,015
Jupiter European	1,883
Johnson Fry Soter Growth	1,855
Hill Samuel US Smaller Cos	1,836
Prolific Technology	1,836

BOTTOM FIVE OVER 3 YEARS

Fidelity Japan Smaller Cos	484
Save & Prosper Korea	473
Five Arrows Japan Smaller Cos	473
Govett Japan Strategy	474
Edinburgh Japan Smaller Cos	485

Prolific Technology

PM North America Growth	2,015
Jupiter European	1,883
Johnson Fry Soter Growth	1,855
Hill Samuel US Smaller Cos	1,836
Prolific Technology	1,836

BOTTOM FIVE OVER 3 YEARS

Fidelity Japan Smaller Cos	484
Save & Prosper Korea	473
Five Arrows Japan Smaller Cos	473
Govett Japan Strategy	474
Edinburgh Japan Smaller Cos	485

TOP FIVE OVER 5 YEARS

HSBC Hong Kong Growth	3,405
Mercury Gold & General	3,342
Prolific Technology	3,225
Hill Samuel UK Emerging Cos	3,149
Gartmore American Emer Gth	3,120

BOTTOM FIVE OVER 5 YEARS

Govett Japan Strategy	880
Friends Prov Japanese Sm Cos	889
Barclays Uni Japan Inc	921
Fidelity Japan Smaller Cos	932
M&G Japan & General Acc	951

M&G Japan & General

HSBC Hong Kong Growth	3,405
Mercury Gold & General	3,342
Prolific Technology	3,225
Hill Samuel UK Emerging Cos	3,149
Gartmore American Emer Gth	3,120

BOTTOM FIVE OVER 5 YEARS

Govett Japan Strategy	880
Friends Prov Japanese Sm Cos	889
Barclays Uni Japan Inc	921
Fidelity Japan Smaller Cos	932
M&G Japan & General Acc	951

TOP FIVE OVER 10 YEARS

HSBC Hong Kong Growth	6,653
F&G US Small Companies	6,003
Gartmore Hong Kong	5,908
Hill Samuel US Smaller Cos	5,595
Abnro Far East Emerging Econ	5,234

BOTTOM FIVE OVER 10 YEARS

Waverley Australasian Gold	463
Barclays Uni Japan Inc	485
Mercury Japan	637
Henderson Japan Smaller Cos	671
M&G Japan & General Acc	671

Mercury Japan

HSBC Hong Kong Growth	6,653
F&G US Small Companies	6,003
Gartmore Hong Kong	5,908
Hill Samuel US Smaller Cos	5,595
Abnro Far East Emerging Econ	5,234

BOTTOM FIVE OVER 10 YEARS

Waverley Australasian Gold	463
Barclays Uni Japan Inc	485
Mercury Japan	637
Henderson Japan Smaller Cos	671
M&G Japan & General Acc	671

Source: HSW (01625 511311)

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Indices

	1 year (%)	3	5	10	Volatility	Yield
Average Unit Trust	977	1193	1788	2276	3.2	2.8
Average Investment Trust	1073	1217	1866	2784	4.5	5.0
Bank	1033	1112	1212	-	0.0	4.5
Building Society	1031	1112	1219	1854	0.0	4.0
Stockmarket: FTSE All-Share	1158	1486	1865	2918	2.7	3.8
Inflation	1026	1091	1157	1525	0.4	-

UK Growth

	1 year (%)	3	5	10	Volatility	Yield
Johnson Fry Soter Growth	1381	1658	2380	-	3.8	0.9
Jupiter UK Growth	1071	1736	2855	-	3.2	1.8
Perpetual UK Exempt	1122	1643	2617	-	2.7	2.6
Credit Suisse Fellowship Inc	995	1582	-	-	3.1	1.1
OM Hartley Growth	1127	1535	2241	-	3.0	0.3
SECTOR AVERAGE	1056	1340	1802	2205	3.0	1.8

UK Growth & Income

	1 year (%)	3	5	10	Volatility	Yield
Perpetual Income	1142	1559	2274	2885	2.6	2.9
Fleming Select UK Income	1184	1538	2009	2548	2.9	3.4
Fidelity UK Dividend Growth	1087	1503	-	-	2.8	2.3
Lazard UK Income & Growth	1085	1495	1896	2636	2.8	3.4
Gartmore UK Index	1140	1468	1903	-	2.9	3.2
SECTOR AVERAGE	1076	1329	1733	2382	2.9	2.7

UK Smaller Companies

	1 year (%)	3	5	10	Volatility	Yield
Gartmore UK Smaller Companies	1186	1783	2280	2386	3.4	0.4
Laurence Keen Smaller Cos	1084	1742	-	-	3.1	1.2
AES Smaller Companies	1063	1658	2157	-	3.1	0.8
INVESCO UK Smaller Companies	1088	1636	2540	2250	3.9	1.2
Britannia Smaller Co's Acc	1072	1603	2547	2446	3.3	0.4
SECTOR AVERAGE	1010	1281	1820	2034	3.0	1.5

UK Equity Income

	1 year (%)	3	5	10	Volatility	Yield
Jupiter Income	1108	1792	2843	-	2.8	4.0
Lazard UK Income	1111	1549	2069	3050	2.7	4.2
Britannia High Yield Inc	1084	1474	2109	3109	2.7	4.0
BWD UK Equity Income	1150	1470	1976	2484	2.8	3.5
Royal Life High Income (Dis)	1110	1445	1878	2171	2.7	3.7
SECTOR AVERAGE	1073	1302	1786	2406	2.8	4.5

UK Equity & Bond Income

	1 year (%)	3	5	10	Volatility	Yield
Cazenove UK Equity & Bond	1094	1421	-	-	3.1	6.2
Clair Med Retirement Income Inc	1089	1338	1777	-	2.8	5.5
Prolific Extra Income	1033	1297	1721	2274	2.5	4.4
CIS UK Income	1088	1285	1716	-	2.4	4.1
Abbey National Extra Income	1083	1262	1945	2780	2.5	6.3
SECTOR AVERAGE	1061	1215	1636	2034	2.3	5.4

UK Eq & Bd

	1 year (%)	3	5	10	Volatility	Yield
BWD Balanced Portfolio	1121	1531	2206	-	3.1	1.2
Perpetual High Income	1116	1455	2238	-	2.2	3.4
Credit Suisse High Income Port	1044	1401	2061	-	2.8	4.4
NPI UK Extra Income Inc	1043	1359	1912	-	2.4	3.0
Henry Cooke Balanced	1044	1355	-	-	1.8	2.9
SECTOR AVERAGE	1066	1334	1826	2307	2.5	3.2

Gilts & Fixed Interest

	1 year (%)	3	5	10	Volatility	Yield
M&G Corporate Bond	1122	1289	-	-	1.9	7.3
Abnro Fixed Interest	1107	1255	2008	2517	1.7	6.7
M&G Gilts & Fixed Interest	1107	1244	1988	1844	2.0	6.9
Thornhill Preference Inc	1047	1228	1681	2239	1.8	8.8
Britannia Gilts & Fixed Int Inc	1086	1200	1357	-	1.7	8.2
SECTOR AVERAGE	1046	1145	1408	1835	1.7	6.7

International Equity Income

	1 year (%)	3	5	10	Volatility	Yield
GT International Income	1029	1280	1983	2584	2.4	2.6
Martin Currie Int'l Income	1051	1279	1918	-	2.7	3.1
Dolphin Int'l Gth & Income	1000	1248	1791	1721	2.8	2.2
Mayflower Global Income	1020	1216	1786	2110	2.5	3.6
M&G International Income	999	1193	1845	2510	2.3	4.3
SECTOR AVERAGE	1018	1194	1783	2124	2.5	3.3

International Fixed Interest

	1 year (%)	3	5	10	Volatility	Yield
Baring Global Bond	997	1180	1606	-	1.5	6.2
Barclays Uni European Bond Inc	1048	1158	-	-	1.1	5.7
Old Mutual Worldwide Bond Inc	971	1156	1448	-	1.8	5.2
Mercury Global Bond Acc	941	1123	1486	-	1.7	5.4
TSB International Income Inc	953	1114	1381	-	1.8	4.6
SECTOR AVERAGE	916	1033	1351	1634	1.9	5.5

International Equity & Bond

	1 year (%)	3	5	10	Volatility	Yield
Bank of Ireland Ex Mgd Growth	1058	1380	1916	-	2.1	2.5
Cazenove Portfolio	1008	1315	1881	-	2.0	2.1
Fleming Global Opportunities	1009	1299	1670	-	2.8	3.2
NPI Worldwide Income Inc	978	1273	1888	-	2.5	1.5
Bailie Gifford Managed	1016	1287	1896	2802	2.4	2.8
SECTOR AVERAGE	1003	1182	1611	2283	2.2	2.5

International Growth

	1 year (%)	3	5	10	Volatility	Yield
Prolific Technology	757	1836	3225	4294	8.4	-
Framlington Health	734	1782	2244	4594	7.1	-
Save & Prosper Growth	1131	1646	2708	3415	2.9	1.7
Guinness Flight Global Privt	1109	1432	-	-	3.7	1.1
Scott Equitable Technology	873	1424	2178	3686	4.4	0.7
SECTOR AVERAGE	954	1154	1770	2142	3.2	1.0

Nth America

	1 year (%)	3	5	10	Volatility	Yield
PM North America Growth	982	2015	2978	4307	4.5	0.0
Hill Samuel US Smaller Co's	889	1855	2774	5595	5.4	-
Edinburgh US Smaller Cos	1053	1797	2817	3341	3.5	0.8
Martin Currie North America	1011	1692	2405	3000	3.3	0.0
Allied Dunbar America Spec St	1006	1691	2332	3499	3.6	0.1
SECTOR AVERAGE	958	1426	2090	2888	3.9	0.5

Europe

	1 year (%)	3	5	10	Volatility	Yield
Jupiter European	1155	1863	3096	-	3.3	0.2
Baring Europe Select	1117	1702	2677	2919	3.8	0.8
Friends Prov European Gth	1086	1622	2396	-	2.9	-
Gartmore European Sel Opps	1074	1614	2713	2990	2.8	-
Allied Dunbar European Growth	1111	1605	2589	2682	3.7	0.1
SECTOR AVERAGE	1040	1311	2026	2559	3.0	0.8

Japan

	1 year (%)	3	5	10	Volatility	Yield
GT Japan Growth	842	880	1506	1378	3.3	-
Murray Japan Growth	718	836	-	-	4.3	-
Martin Currie Japan	746	830	1348	-	4.8	-
Schroder Tokyo Inc	729	816	1616	2087	4.7	-
Henderson Exempt Japan	713	816	1472	927	4.9	-
SECTOR AVERAGE	646	654	1228	1102	4.8	0.5

Far East inc Japan

	1 year (%)	3	5	10	Volatility	Yield
Govett Greater China	1113	1193	2403	3227	4.2	-
Abnro Pacific	824	1049	2082	3245	4.0	0.3
Schroder Far East Growth Inc	784	989	2079	-	4.2	-
Perpetual Far East Growth	899	989	2291	2952	3.6	0.8
Thornhill Oriental Income Inc	819	982	1597	2322	3.4	0.7
SECTOR AVERAGE	795	887	1709	2075	4.0	0.7

Far East exc Japan

	1 year (%)	3	5	10	Volatility	Yield
HSBC Hong Kong Growth	1306	1704	3405	6653	6.3	0.9
INVESCO Hong Kong & China	1254	1367	2684	4202	6.3	0.8
GT Orient Acc	1012	1348	2979	-	5.6	0.1
Old Mutual Hong Kong	1043	1285	2482	4745	6.2	1.0
Friends Prov Australian	990	1254	2026	4258	4.3	-
SECTOR AVERAGE	841	993	2052	3729	5.3	0.7

Commodity & Energy

■ Commodity & Energy						
M&G Australasian & General Acc	1049	1357	2127	1473	5.0	2.0
M&G Commodity & General	855	1196	2084	2087	4.5	0.3
Save & Prosper Commodity	774	1042	1759	1741	5.6	-
Hill Samuel Natural Resources	752	978	1548	1545	4.7	0.4
Securus Gold & General	661	853	3342	-	7.4	0.4
SECTOR AVERAGE	758	1002	2103	1387	6.0	0.7

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

Int	Value	Selling	Buying	+ or -	Yield	Int	Value	Selling	Buying	+ or -	Yield
Cdays		Price	Price		%	Cdays		Price	Price		%

Initial charges: Chargee makes by unit the first charge normally due on the price set on the most recent available bid. Selling prices: Also called offer prices. The price at which the unit is sold. Administrative costs: Including commission paid to intermediaries. This charge is included in the buying prices of units. **Buying prices:** Also called offer prices. The price at which the unit is sold. **Selling prices:** Also called bid prices. The price at which units are sold back by investment. **Forward pricing of manager's periodic charges:** The letter E declares that the trust will not use the manager's periodic charges from capital, contrary to the trust deed, to offset the effect of the course of investment. **End charges:** The letter E declares that an end charge may be made when you sell units, contrary to the trust deed. **Titled:** The line shows around the trust manager's name in the title of the unit's trust deed. **Symbol:** The symbol is indicated by the symbol alongside the individual unit trust names. The symbols are as follows: (P) - 0000 to 100 hours (H) - 1101 to 1400 hours (M) - 1401 to 1700 hours (A) - 1701 to midnight. Only selling prices are set for the units of the variable price unit trust period of time may change before prices become available. **Historic prices:** The letter H declares that the price will normally end on the price set on the most recent available bid. The prices shown are the latest available before publication and may not reflect the current dealing levels because of an intervening corporate reorganisation or it switch to a forward pricing policy and may end at a forward price on request, and may end at forward pricing at any time. **Forward pricing:** The letter F declares that the manager will set the price to be set on the most recent bid. **Scheme particulars and reports:** The most recent report and scheme particulars can be accessed free of charge from fund managers by the managers. **Other explanatory notes:** are contained in the last column of the FT Manager's Funds section. **55 Associations of Unit Traders and Investment Funds, 95 Kingsway, London, W20 0JG. Tel: 071-851-0000.** **The fund prices published in this edition are taken from the Financial Times' website at <http://www.ft.com>**

FT MANAGED FUNDS SERVICE

Insurances, Money Markets and Other

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (44-171) 873 4978 for more details.

General Accident				Homescreen Property Services Ltd - Contd.				M&A Assurance Co				Marshall Life Insurance Co - Contd.				Royal Life Insurance Ltd				Scottish Provident Institution - Contd.				San Alliance Group - Contd.				Johnson Fry Asset Managers Plc			
Unit	Price	Change	YTD	Unit	Price	Change	YTD	Unit	Price	Change	YTD	Unit	Price	Change	YTD	Unit	Price	Change	YTD	Unit	Price	Change	YTD	Unit	Price	Change	YTD	Unit	Price	Change	YTD
Accident & Sickness	100.00	0.00	0.00	Accident & Sickness	100.00	0.00	0.00	Accident & Sickness	100.00	0.00	0.00	Accident & Sickness	100.00	0.00	0.00	Accident & Sickness	100.00	0.00	0.00	Accident & Sickness	100.00	0.00	0.00	Accident & Sickness	100.00	0.00	0.00	Accident & Sickness	100.00	0.00	0.00
Life	100.00	0.00	0.00	Life	100.00	0.00	0.00	Life	100.00	0.00	0.00	Life	100.00	0.00	0.00	Life	100.00	0.00	0.00	Life	100.00	0.00	0.00	Life	100.00	0.00	0.00	Life	100.00	0.00	0.00
Property	100.00	0.00	0.00	Property	100.00	0.00	0.00	Property	100.00	0.00	0.00	Property	100.00	0.00	0.00	Property	100.00	0.00	0.00	Property	100.00	0.00	0.00	Property	100.00	0.00	0.00	Property	100.00	0.00	0.00
Investment	100.00	0.00	0.00	Investment	100.00	0.00	0.00	Investment	100.00	0.00	0.00	Investment	100.00	0.00	0.00	Investment	100.00	0.00	0.00	Investment	100.00	0.00	0.00	Investment	100.00	0.00	0.00	Investment	100.00	0.00	0.00
Equity	100.00	0.00	0.00	Equity	100.00	0.00	0.00	Equity	100.00	0.00	0.00	Equity	100.00	0.00	0.00	Equity	100.00	0.00	0.00	Equity	100.00	0.00	0.00	Equity	100.00	0.00	0.00	Equity	100.00	0.00	0.00
Fixed Income	100.00	0.00	0.00	Fixed Income	100.00	0.00	0.00	Fixed Income	100.00	0.00	0.00	Fixed Income	100.00	0.00	0.00	Fixed Income	100.00	0.00	0.00	Fixed Income	100.00	0.00	0.00	Fixed Income	100.00	0.00	0.00	Fixed Income	100.00	0.00	0.00
Commodity	100.00	0.00	0.00	Commodity	100.00	0.00	0.00	Commodity	100.00	0.00	0.00	Commodity	100.00	0.00	0.00	Commodity	100.00	0.00	0.00	Commodity	100.00	0.00	0.00	Commodity	100.00	0.00	0.00	Commodity	100.00	0.00	0.00
Art	100.00	0.00	0.00	Art	100.00	0.00	0.00	Art	100.00	0.00	0.00	Art	100.00	0.00	0.00	Art	100.00	0.00	0.00	Art	100.00	0.00	0.00	Art	100.00	0.00	0.00	Art	100.00	0.00	0.00
Real Estate	100.00	0.00	0.00	Real Estate	100.00	0.00	0.00	Real Estate	100.00	0.00	0.00	Real Estate	100.00	0.00	0.00	Real Estate	100.00	0.00	0.00	Real Estate	100.00	0.00	0.00	Real Estate	100.00	0.00	0.00	Real Estate	100.00	0.00	0.00
Private Equity	100.00	0.00	0.00	Private Equity	100.00	0.00	0.00	Private Equity	100.00	0.00	0.00	Private Equity	100.00	0.00	0.00	Private Equity	100.00	0.00	0.00	Private Equity	100.00	0.00	0.00	Private Equity	100.00	0.00	0.00	Private Equity	100.00	0.00	0.00
Infrastructure	100.00	0.00	0.00	Infrastructure	100.00	0.00	0.00	Infrastructure	100.00	0.00	0.00	Infrastructure	100.00	0.00	0.00	Infrastructure	100.00	0.00	0.00	Infrastructure	100.00	0.00	0.00	Infrastructure	100.00	0.00	0.00	Infrastructure	100.00	0.00	0.00
Global	100.00	0.00	0.00	Global	100.00	0.00	0.00	Global	100.00	0.00	0.00	Global	100.00	0.00	0.00	Global	100.00	0.00	0.00	Global	100.00	0.00	0.00	Global	100.00	0.00	0.00	Global	100.00	0.00	0.00
Multi-Asset	100.00	0.00	0.00	Multi-Asset	100.00	0.00	0.00	Multi-Asset	100.00	0.00	0.00	Multi-Asset	100.00	0.00	0.00	Multi-Asset	100.00	0.00	0.00	Multi-Asset	100.00	0.00	0.00	Multi-Asset	100.00	0.00	0.00	Multi-Asset	100.00	0.00	0.00
Specialist	100.00	0.00	0.00	Specialist	100.00	0.00	0.00	Specialist	100.00	0.00	0.00	Specialist	100.00	0.00	0.00	Specialist	100.00	0.00	0.00	Specialist	100.00	0.00	0.00	Specialist	100.00	0.00	0.00	Specialist	100.00	0.00	0.00
Alternative	100.00	0.00	0.00	Alternative	100.00	0.00	0.00	Alternative	100.00	0.00	0.00	Alternative	100.00	0.00	0.00	Alternative	100.00	0.00	0.00	Alternative	100.00	0.00	0.00	Alternative	100.00	0.00	0.00	Alternative	100.00	0.00	0.00
Other	100.00	0.00	0.00	Other	100.00	0.00	0.00	Other	100.00	0.00	0.00	Other	100.00	0.00	0.00	Other	100.00	0.00	0.00	Other	100.00	0.00	0.00	Other	100.00	0.00	0.00	Other	100.00	0.00	0.00

Money Market Trust Funds

Money Market Bank Accounts

MANAGEMENT SERVICES

Swiss Bank Corporation - Child.

Swiss Bank Corporation - Child.

Swiss Bank Corporation - Child.

هكذا من الأهل

the green

INVESTMENT TRUSTS - Contd.

11117 177-1211

1994

[illegible]

111

[illegible]

WORKING
THERMISTOR UNIT

Company	Assets	Liabilities	Equity	Assets	Liabilities	Equity
1. American International	100.00	100.00	0.00	100.00	100.00	0.00
2. American Mutual	100.00	100.00	0.00	100.00	100.00	0.00
3. American National	100.00	100.00	0.00	100.00	100.00	0.00
4. American Republic	100.00	100.00	0.00	100.00	100.00	0.00
5. American Trust	100.00	100.00	0.00	100.00	100.00	0.00
6. American Union	100.00	100.00	0.00	100.00	100.00	0.00
7. American World	100.00	100.00	0.00	100.00	100.00	0.00
8. American Bank	100.00	100.00	0.00	100.00	100.00	0.00
9. American Finance	100.00	100.00	0.00	100.00	100.00	0.00
10. American Insurance	100.00	100.00	0.00	100.00	100.00	0.00
11. American Life	100.00	100.00	0.00	100.00	100.00	0.00
12. American Real Estate	100.00	100.00	0.00	100.00	100.00	0.00
13. American Securities	100.00	100.00	0.00	100.00	100.00	0.00
14. American Services	100.00	100.00	0.00	100.00	100.00	0.00
15. American Investments	100.00	100.00	0.00	100.00	100.00	0.00
16. American Holdings	100.00	100.00	0.00	100.00	100.00	0.00
17. American Capital	100.00	100.00	0.00	100.00	100.00	0.00
18. American Partners	100.00	100.00	0.00	100.00	100.00	0.00
19. American Ventures	100.00	100.00	0.00	100.00	100.00	0.00
20. American Enterprises	100.00	100.00	0.00	100.00	100.00	0.00
21. American Industries	100.00	100.00	0.00	100.00	100.00	0.00
22. American Companies	100.00	100.00	0.00	100.00	100.00	0.00
23. American Firms	100.00	100.00	0.00	100.00	100.00	0.00
24. American Groups	100.00	100.00	0.00	100.00	100.00	0.00
25. American Organizations	100.00	100.00	0.00	100.00	100.00	0.00
26. American Associations	100.00	100.00	0.00	100.00	100.00	0.00
27. American Clubs	100.00	100.00	0.00	100.00	100.00	0.00
28. American Societies	100.00	100.00	0.00	100.00	100.00	0.00
29. American Unions	100.00	100.00	0.00	100.00	100.00	0.00
30. American Leagues	100.00	100.00	0.00	100.00	100.00	0.00
31. American Orders	100.00	100.00	0.00	100.00	100.00	0.00
32. American Lodges	100.00	100.00	0.00	100.00	100.00	0.00
33. American Chapters	100.00	100.00	0.00	100.00	100.00	0.00
34. American Branches	100.00	100.00	0.00	100.00	100.00	0.00
35. American Divisions	100.00	100.00	0.00	100.00	100.00	0.00
36. American Sections	100.00	100.00	0.00	100.00	100.00	0.00
37. American Districts	100.00	100.00	0.00	100.00	100.00	0.00
38. American Regions	100.00	100.00	0.00	100.00	100.00	0.00
39. American Territories	100.00	100.00	0.00	100.00	100.00	0.00
40. American Provinces	100.00	100.00	0.00	100.00	100.00	0.00
41. American States	100.00	100.00	0.00	100.00	100.00	0.00
42. American Counties	100.00	100.00	0.00	100.00	100.00	0.00
43. American Cities	100.00	100.00	0.00	100.00	100.00	0.00
44. American Towns	100.00	100.00	0.00	100.00	100.00	0.00
45. American Villages	100.00	100.00	0.00	100.00	100.00	0.00
46. American Hamlets	100.00	100.00	0.00	100.00	100.00	0.00
47. American Settlements	100.00	100.00	0.00	100.00	100.00	0.00

Approved by the Federal Reserve

Reserve Bank of New York

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038

100 Wall Street

New York, N.Y. 10038</

For & Carl GUNT Sp Inc. -15

[illegible]

23-155-152

1. The first part of the document is a list of names and their corresponding addresses. The names are listed in the left column, and the addresses are listed in the right column. The names are: John Doe, Jane Smith, Robert Brown, Mary White, and Thomas Green. The addresses are: 123 Main St, 456 Elm St, 789 Oak St, 101 Pine St, and 202 Cedar St.

2. The second part of the document is a table with two columns. The first column is labeled "Name" and the second column is labeled "Address". The names are listed in the first column, and the addresses are listed in the second column. The names are: John Doe, Jane Smith, Robert Brown, Mary White, and Thomas Green. The addresses are: 123 Main St, 456 Elm St, 789 Oak St, 101 Pine St, and 202 Cedar St.

3. The third part of the document is a list of names and their corresponding addresses. The names are listed in the left column, and the addresses are listed in the right column. The names are: John Doe, Jane Smith, Robert Brown, Mary White, and Thomas Green. The addresses are: 123 Main St, 456 Elm St, 789 Oak St, 101 Pine St, and 202 Cedar St.

4. The fourth part of the document is a table with two columns. The first column is labeled "Name" and the second column is labeled "Address". The names are listed in the first column, and the addresses are listed in the second column. The names are: John Doe, Jane Smith, Robert Brown, Mary White, and Thomas Green. The addresses are: 123 Main St, 456 Elm St, 789 Oak St, 101 Pine St, and 202 Cedar St.

5. The fifth part of the document is a list of names and their corresponding addresses. The names are listed in the left column, and the addresses are listed in the right column. The names are: John Doe, Jane Smith, Robert Brown, Mary White, and Thomas Green. The addresses are: 123 Main St, 456 Elm St, 789 Oak St, 101 Pine St, and 202 Cedar St.

HEALTH CARE

Movie	Price
100	1.99
101	2.99
102	3.99
103	4.99
104	5.99
105	6.99
106	7.99
107	8.99
108	9.99
109	10.99
110	11.99
111	12.99
112	13.99
113	14.99
114	15.99
115	16.99
116	17.99
117	18.99
118	19.99
119	20.99
120	21.99
121	22.99
122	23.99
123	24.99
124	25.99
125	26.99
126	27.99
127	28.99
128	29.99
129	30.99
130	31.99
131	32.99
132	33.99
133	34.99
134	35.99
135	36.99
136	37.99
137	38.99
138	39.99
139	40.99
140	41.99
141	42.99
142	43.99
143	44.99
144	45.99
145	46.99
146	47.99
147	48.99
148	49.99
149	50.99
150	51.99
151	52.99
152	53.99
153	54.99
154	55.99
155	56.99
156	57.99
157	58.99
158	59.99
159	60.99
160	61.99
161	62.99
162	63.99
163	64.99
164	65.99
165	66.99
166	67.99
167	68.99
168	69.99
169	70.99
170	71.99
171	72.99
172	73.99
173	74.99
174	75.99
175	76.99
176	77.99
177	78.99
178	79.99
179	80.99
180	81.99
181	82.99
182	83.99
183	84.99
184	85.99
185	86.99
186	87.99
187	88.99
188	89.99
189	90.99
190	91.99
191	92.99
192	93.99
193	94.99
194	95.99
195	96.99
196	97.99
197	98.99
198	99.99
199	100.99

RESEARCH

[illegible]

	Water	Brown
--	--------------	--------------

卷之四
 四
 五
 六
 七
 八
 九
 十
 十一
 十二
 十三
 十四
 十五
 十六
 十七
 十八
 十九
 二十
 二十一
 二十二
 二十三
 二十四
 二十五
 二十六
 二十七
 二十八
 二十九
 三十
 三十一
 三十二
 三十三
 三十四
 三十五
 三十六
 三十七
 三十八
 三十九
 四十
 四十一
 四十二
 四十三
 四十四
 四十五
 四十六
 四十七
 四十八
 四十九
 五十
 五十一
 五十二
 五十三
 五十四
 五十五
 五十六
 五十七
 五十八
 五十九
 六十
 六十一
 六十二
 六十三
 六十四
 六十五
 六十六
 六十七
 六十八
 六十九
 七十
 七十一
 七十二
 七十三
 七十四
 七十五
 七十六
 七十七
 七十八
 七十九
 八十
 八十一
 八十二
 八十三
 八十四
 八十五
 八十六
 八十七
 八十八
 八十九
 九十
 九十一
 九十二
 九十三
 九十四
 九十五
 九十六
 九十七
 九十八
 九十九
 一百

INSURANCE

[illegible]

ENV TRUSTS SPLIT CAPITAL

[illegible]

COMPANIES AND FINANCE

A slimmer APV proves attractive to predators

Charis Gresser looks at why the engineering company has received two bid approaches in the past week

APV, the UK engineering company which started life making fuel tanks for Zeppelins, could soon be coming under fire itself.

This week two companies, as yet unnamed, have made bid approaches to APV, now better known for its food processing machinery. Whether the approaches turn into offers remains to be seen. There is little doubt, however, about what APV's main investors want: "Being a shareholder in APV has been an unpleasant experience and now we would rather get out," says one bluntly.

This is a blow for a company proud of its engineering history. It was founded in 1910 by Mr Richard Seligman, a German Jew related to the Warburg family who invented the plate heat exchanger, still a core part of many industrial processes.

But a glance at the share price tells a less illustrious story. Over the past 10 years, excluding this week's sudden rise, shareholders have suffered a 50 per cent decline in the value of their investments, an underperformance to the market of nearly 80 per cent.

The dividend, which was halved in 1994, has not moved since, and the com-

pany is on its third chief executive in a decade. Exceptional charges for restructuring periodically scar its results, and a couple of profits warnings have taxed City confidence.

However, the company says the restructuring is starting to pay off and it is now in a better position to improve its performance in very tough markets.

As supermarkets gain more clout and economies of scale, they put pressure on their suppliers: the food groups such as Unilever, Nestlé, Procter & Gamble. These in turn squeeze their own suppliers: APV, Tetra Laval of Sweden or GEA of Germany. APV is not alone to suffer.

Analysts believe GEA is behind at least one of the bid approaches. Engineering companies, Linde of Germany and FMC of the US, have also been mentioned. GEA's sales are growing strongly, but Merrill Lynch reckons that pricing pressure has taken its toll on pre-tax profits margins.

APV's critics accept competition has stiffened, but also blame the management. "It's been endless jam tomorrow. It would be a difficult defence to run," says one disaffected institution.

The seeds for the company's poor earnings record



Over a barrel: Alan Eycroft applies the finishing touches to a digestive biscuit cutter on an APV production line

were, rather predictably, sown in the boom years of the 1980s.

After fending off a hostile bid from Siebe in 1986, APV went on an acquisition binge, led by Mr Fred Smith, its chief executive.

It more than doubled its size in two years, spending

between £175m and £200m (£280m-£300m) on about 20 acquisitions. Some were inspired, some were bad but, crucially, most were not integrated. Internal competition was rife, as different parts of APV fought over the same contracts. "A joyous if slightly confusing experi-

ence for the customer" which partly explained why APV's margins were so low, said broker UBS at the time.

In 1989, Mr Neil French, now chief executive, joined as finance director. The diffident, careful Scot, set down with the chairman and

thought: "We've got a few problems here. The analysts were worried about the underlying cash flow and we said: enough acquisitions, we've got to sort this lot out."

Twenty divestments followed, raising £120m, during which time Mr Clive

Strowger, the chief executive, left.

About £100m was spent on restructuring. Shareholders have yet to feel its impact. Mr French, who picks his way through his sentences rather as though he were walking through a minefield, says that in the early stages the restructuring probably did not "address the issues with appropriate urgency".

His chairman, Mr Mike Smith, a former director at BTR, has only been in the job for six months but has more of a feel for the soundbite. "With hindsight, if we could do it again, we would do the same things but faster."

Six weeks ago, the company reported a 44 per cent drop in 1996 pre-tax profits after exceptional costs to £15m on turnover of £772m.

The shake-up at APV has led to 7,000 job losses during the 1990s, about half the workforce. But the latest restructuring is not just about cost cutting.

Mr French, a theoretical chemist whose hobby is salmon fishing in Russia, hopes he has introduced "more intelligent rules of engagement".

He says bids to install production lines or the larger turnkey projects like dairy or baking plants should no longer be pure contracting

exercises, which can leave the company to starve on thin margins. They should also be a way of selling more of its own equipment, such as valves and pumps.

The company also sees opportunities to expand its homogeniser machines into the cosmetics and pharmaceuticals industries. The automotive sector could be another growth market for its heat exchangers.

Will Mr French get the chance to see his plans through? One institutional investor reckons it would require a "suspension of belief" to trust in a dramatic change in the company's fortunes soon.

Some analysts are more optimistic about APV's prospects. "The restructuring will bear fruit. It's quite a focused business now. They've maintained product strengths and stepped up marketing spend in growth areas like the far east," says one.

In a note last month, Merrill Lynch notes the surge in order intakes in the second half of 1996 and forecasts pre-tax profits of £32m for 1997, rating the shares a buy.

Judging from this week's bid approaches, it looks like someone will soon be putting the brokers' advice into practice.

MGAM expands with Axiom funds

By Nikid Tait in Sydney and Christopher Brown-Himes in London

Morgan Grenfell Asset Management is expanding its funds under management by £10m (£15m) after its parent, Deutsche Bank, won the auction for Australia's Axiom funds management business.

Mr Robert Smith, MGAM chief executive, said the purchase would give it a significant position in the fast-growing Australian pensions market and consolidate its position in Asia-Pacific.

Deutsche will pay A\$240m (£186m) to buy Sydney-based

Axiom from the New South Wales state government, although it said yesterday that once loan and dividend payments were taken into account, the net cost of the deal would be nearer to A\$185m. MGAM is the London-based institutional asset manager of Deutsche Bank.

Axiom manages about A\$19bn of state employees' pension money. Mr Smith said this was a "very significant increase in our total funds under management, taking them to more than \$80bn worldwide".

He noted that the Australian pensions market was growing at 10 per cent a

year, but said MGAM would be looking for even faster growth there. He added that the acquisition would complement MGAM's offices in Japan and Singapore.

As a result of the deal, Axiom's A\$2bn to A\$3bn portfolio of international assets will be managed by MGAM in London, while MGAM's London-based Australian equities business and asset management conducted for Australian clients will move to Axiom.

Deutsche Bank already has a significant corporate and investment banking business in Australia, having acquired the Bain & Co

stockbroking firm in 1989. But it has been looking to add a fund management operation for some time.

Axiom - which, until it was "corporatised" ahead of privatisation last year, was known as State Super - has always acted as a public sector fund management operation. Mr Klaus Albrecht, chief executive of Deutsche Bank (Australia), said the aim now would be to broaden its customer base.

Under the agreement with the New South Wales government, there will be a five-year investment management contract for existing funds.

Europe powers Unilever advance

By Maggie Urry

Strong profits growth in Europe, showing the first benefits of restructuring, aided first-quarter profits from Unilever, the Anglo-Dutch consumer products group.

Group operating profits, before exceptional costs and at constant currencies, rose 18 per cent to £661m (£1.06bn).

However, after a rise in exceptional costs from £15m to £76m, a higher tax rate, and taking the strength of sterling into account, earnings per share fell 6 per cent from 17.11p to 15.76p.

The shares gained 29p to 654p, as analysts took the figures as evidence the Unilever's restructuring was taking effect.

Group sales rose 5 per cent to £7.99bn in constant currency terms, with 2 per cent of the gain from volume and 3 per cent from acquisitions net of disposals.

Pre-tax profits increased 7 per cent from £503m to £538m, after a fall in interest charges from £62m to £51m.

In Europe sales increased 1 per cent but operating profits rose 42 per cent from £254m to £360m. However,

much of the gain came from unusual factors. Ice cream sales rose around 10 per cent and added around £20m to profits. There was a £25m saving on pension contributions, and a £15m improvement when the BSE crisis hit beefburger sales. A change in allocating central costs aided European profits at the expense of Brazilian operations.

Even so, analysts estimated, European profits and margins were strongly ahead.

Elsewhere, North American operating profits dipped 11 per cent from £103m to

£92m, despite the Heilema acquisition last year. Increased marketing costs hit margins, and the Calvin Klein and Elizabeth Arden fragrance business focused on product launches in other territories.

Profits from the Asia and Pacific region rose 19 per cent from £90m to £107m, with good volume growth in most countries. Latin American profits fell from £93m to £85m, reflecting the central cost switch. In Africa and the Middle East profits fell from £32m to £17m largely because of a change in the company's distribution policy in Turkey.

HOME & OFFICE SOFTWARE

PRIVATE COMPANY VALUATION SOFTWARE
@ ONLY £99.95?

- Realistic valuation as system utilizes future cash flow generation.
- Presentation is such that user, regardless of experience, should find the process easy.
- Multiple applications and inquiries.
- Secondary use in financial forecasting tool.
- Stand-alone "windows" based.

For free copy or further details contact us at: WLP Business Consultants, 5 Haverstock Road, Farnham, Surrey TW13 9BT. Tel: 01251 751 2948 Fax: 0171 618 4252

COST EFFECTIVE FINANCIAL ADD-INS INTERMARK SOLUTIONS.

A division of FIM Limited offers advanced financial calculations and analytical tools covering Options, Futures, Bonds, Stocks, and more. Easily incorporated into your own spreadsheets, or purchase our source code for in-house development. Many sample applications covering commodities, bonds, currencies, equities, futures and more. Order now and receive a copy of *International Financial Markets* by J. Orlin Grabbe, FRSA.

We will match any price for a similar product.

Tel: +44 (0) 171 600 6033
Fax: +44 (0) 171 600 6102
Email: intermark@fim.co.uk
Web: www.intermarkf.co.uk

TECHNICAL ANALYSIS SOFTWARE FROM INDEXIA
Real-Time & End-of-Day

<http://www.indexia.co.uk>

Three powerful Real-time & End-of-Day Technical Analysis systems to choose from:

- Real-time using Pictorial, PC Market-type, Reuters, DBC Signal, BSE, CDFPAX & Skyline
- End-of-day using a variety of OCELV data feeds: ISI, Citifield, StockData, CSI

INDEXIA Research, 121 High Street, Bournemouth BH4 2DL, UK
Tel: 01423 578815 Fax: 01423 578834

FINALLY: REAL-TIME DATA YOU CAN AFFORD. STOCKS, CURRENCIES, BONDS, DERIVATIVES AND NEWS.

Terrific provides global real-time financial data direct to your PC at the lowest possible cost. Our Windows platform facilitates seamless interfacing with other Windows applications.

Available across Europe
Find us at www.terrific.co.uk
Call Terrence on +44 (0) 171 405 4541

Home & Office Software

Advertise your software at a cost of £105.00 (+VAT) per week to over 1.2 million business and home users worldwide.

For further information, please contact:

Paul Meakins Tel: +44 171 673 3218

Fax: +44 171 673 3098

or e-mail paul.meakins@FT.com

BUSINESS OPPORTUNITIES

TALKING CASH

Personal Numbers are now big news in the US and UK. And for less than a £550 set up cost, you too could cash in on the big money as an Authorised Consultant, with at least 30 leads per month. So to get your share of the 07000 and 07074 Personal Number market, call us now on 07000 654321. Before someone else does.

BUSINESSES FOR SALE

WORTHING West Sussex

Retirement sale of freehold interest in business premises let to responsible tenants producing £12,000 p.a. FRI terms potential to improve rent or redevelop site. Offers in region of £160,000. Genuine interest only - in the first instance to:

Box BS206, Financial Times, One Southwark Bridge, London SE1 9EL

FRANCHISING

SUB

Sandwiches and Salads
The World's #1 Submarine Sandwich Franchise

- Low Start-Up Costs
- Simple Operation
- Over 12,700 Restaurants in 50 Countries
- Complete Training and Ongoing Support
- Bread Baked Fresh in Every Restaurant

For Franchise and Development Information
Call the U.S.A. Headquarters
1-203-677-4261
Fax: 1-203-676-6686
Write: 325 Bic Drive, Milford, CT 06460 U.S.A.
e-mail: franchise@subway.com
<http://www.subway.com>

Noting to persons only, 100 White, 205
Baker's Road, London E20 2DB

PERSONAL NUMBER

For more information with Validation

TALKING CASH

Personal Numbers are now big news in the US and UK. And for less than a £550 set up cost, you too could cash in on the big money as an Authorised Consultant, with at least 30 leads per month. So to get your share of the 07000 and 07074 Personal Number market, call us now on 07000 654321. Before someone else does.

PUBLISHER/EDITOR/JOURNALIST

Small company
substantial pay
and providing
training services
to companies
and individuals

TELECOMMUNICATIONS

SAVE ON INTERNATIONAL PHONE CALLS

- Digital Switching
- Optic Lines
- AT&T and Other Networks
- Use from Home, Office, Hotels, Call Phones
- 24 Hour Customer Service

Call now for New Low Rates!
Tel: 1.206.284.8600
Fax: 1.206.270.0009
Lines open 24 hours

LEGAL NOTICES

No. 0080 OF 1997
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF HENDERSON
HIGHLAND TRUST PLC
AND
IN THE MATTER OF THE
COMPANIES ACT 1985

NOTICE IS HEREBY given that the Order of the High Court of Justice Chancery Division relating to the above Company dated 21st April 1997 confirming a Reduction of Capital from £10,000,000 to £2,500,000 and the Minute approved by the Court showing with respect to the Share Capital of the Company as altered, the several particulars required by the above Act was registered by the Registrar of Companies on 22nd April 1997.

Dated this 2nd day of May 1997
Solicitor and Ray (M204)
35 Gresham Street
London EC2V 5DB

Master finance.
In just twelve weeks.

FT Mastering Finance: starts Monday, May 12.

Written by experts from three of the world's leading business schools, Mastering Finance builds into a comprehensive tutorial course covering every aspect of business finance.

Free with the FT, every week from May 12.

FINANCIAL TIMES

No FT, no comment.

COMPANIES AND FINANCE: INTERNATIONAL

ASkyB chief quits as tension mounts

By Raymond Snoddy

Mr Preston Padden has abruptly quit as chairman of ASkyB. Mr Rupert Murdoch's US digital satellite television project.

The "unexpected" resignation is a sign of growing tension in the project and appears to have resulted from ASkyB's failure so far to complete a merger with EchoStar, the Denver-based satellite TV company.

The planned merger, which would have given Mr Murdoch's News Corporation greatly increased satellite capacity to launch hundreds of TV channels in the American market before the end of this year, was announced in February.

The deal was unveiled at the end of a News Corp presentation to investment analysts, at which Mr Padden enthusiastically reached for movie industry hyperbole to

describe the significance of the ASkyB merger with EchoStar.

It would unleash, Mr Padden told investors then, "a cosmic armada unmatched since the Empire struck back".

It is believed that Mr Padden's resignation has not yet formally been accepted, but it is unlikely that he will stay at the satellite venture.

As part of the deal Mr Ergen was to remain in control of EchoStar. This concession from Mr Murdoch may now be causing difficulties. One observer said yesterday the two sides were "standing toe-to-toe".

If a deal with EchoStar is not struck, Mr Murdoch will almost certainly look for other partners. It would be extremely difficult to launch in the American satellite market as the fifth entrant without an alliance of some sort. It is not clear who such a partner would be.

The leader in the digital satellite market is DirecTV, owned by Hughes Aircraft, a company large enough not to need partners. The biggest investor in PrimeStar, another satellite venture, is TeleCommunications Inc of Denver. Mr Ted Turner is a big investor in TCI through Time Warner.

Colonial made to re-open retail offering

By Nikki Tait in Sydney

The Australian Securities Commission, Australia's main securities industry watchdog, yesterday forced Colonial, the financial services group, to re-open the retail part of a public offer of shares and options in the group.

The banking and insurance group, which is in the final stages of demutualisation, closed the offer on Monday, four days ahead of schedule. It also brought forward the date for listing its shares, from May 19 to May 12.

Colonial had said the decision "reflected strong response to the public share offer. Demand from those who have already applied could not be satisfied to any reasonable extent if the offer were to remain open," said Mr Peter Smedley, managing director.

But potential investors complained to the ASC, and the securities industry watchdog yesterday insisted that Colonial re-open the offer for an extra two days next week.

Mr Alan Cameron, ASC chairman, said Colonial should have made clear in its prospectus the possibility of an early close on the offer. "People who received the prospectus were entitled to believe they had until 5pm

today [Friday] to subscribe," he said. The ASC believed Colonial received more than 25,000 applications after the early closure of the offer, and that "even more people had intended to subscribe".

The ASC had received upwards of 40 complaints. Colonial said yesterday it would meet the ASC's demands, reopening the public offer on Monday and Tuesday next week. But it warned the offer was already "heavily oversubscribed".

If there were further applications, each investor would get less than the minimum application size of 1,000 shares and options.

Colonial's 350,000 policyholders - about half of whom are in the UK - have been allocated shares and options in the group as part of the demutualisation, and are able to sell these as part of the flotation.

In addition, Colonial is issuing 70m new shares. The public offer is fixed at A\$2.60 a share, while institutions have been asked to bid in an indicative range of A\$2.50 to A\$2.90. Under the latest timetable, the institutional offer will now be open from May 14 to May 16.

Colonial, which has been attempting to turn itself from a life office into an "Alliance" group, is likely to be capitalised at about A\$2bn (US\$1.57bn).

PolyGram expands film unit

By Alice Rawsthorn

PolyGram, the Dutch entertainment group, yesterday unveiled proposals for the launch of its US film distribution company, in the hope of bringing its six-year-old film division into profit.

The new company, PolyGram Filmed Entertainment Distribution, will be launched in the autumn. As president, Mr Andrew Fogelson, a former Warner Bros and United Artists executive, will co-ordinate distribution of all the group's feature films in the US.

Until now PolyGram's features, including *Trainspotting*, *Fargo* and *Four Weddings And A Funeral*, have been distributed in the US either through its subsidiary Gramercy (originally a joint venture with Universal, the Hollywood movie studio) or through other companies.

Distribution is the most profitable, but also the riskiest area of the film business. If a film production company controls its own distribution, it keeps more of the profits on its hits, rather than ceding them to the distributor. Conversely, it is more heavily exposed to losses from flops.

PolyGram has already established distribution networks in the UK, France, Germany, Spain, Australia and the Netherlands. Until recently, it did not release enough films to justify the cost of operating such a network in the US, still the world's biggest single cinema market.

Mr Alain Lévy, president



Alain Lévy: the film unit "could, and I underline the word could" break even from 1998

of PolyGram, recently agreed to invest up to \$300m in the film division over the next two years so as to increase production and launch the US distribution network.

"Mr Lévy says the division "could, and I underline the word could" break even from 1998.

PolyGram, which is also one of the world's largest

music groups, with U2, Elton John and Pulp among its artists, has already invested \$800m in creating its film division, in the hope of rivaling the established Hollywood studios.

Once FFED, the US distribution network, is working, it will continue to release any films opening on fewer than 1,000 US screens through Gramercy, but will

channel bigger movies through a newly created unit called PolyGram Films.

The first pictures to be distributed by PolyGram Films will be *The Game*, a \$60m thriller directed by David Fincher, who made *Seven*, and Robert Altman's *The Gingerbread Man*. The company will distribute five films in its first year, and up to 12 a year after that.

INTERNATIONAL NEWS DIGEST

KNP BT improves 4% in quarter

KNP BT, the Dutch paper, packaging and distribution group, managed to lift net profits 4 per cent to F1 52m (\$36.8m) in the first quarter, a period for which it had warned of a further decline. Operating profits fell 6.2 per cent to F1 122m, but a lower tax charge and income from non-consolidated holdings offset these factors.

The group said yesterday that, assuming the paper market got no worse, it continued to expect that the full-year outcome would show a "material improvement" on 1996, when net profits were F1 231m. Sales in the three months to March rose 9.1 per cent to F1 3.7bn. Excluding acquisitions, however, the increase was about 2 per cent.

KNP Leykam, the papermaking division for which it is seeking an industry partner, returned modestly to profit at operating level, as demand for wood-free coated sheets and reels increased. But the division was hampered by delays in restoring a paper machine in Maastricht to working order after an overhaul. The group is to increase prices for wood-coated paper in the current quarter, and expects to have to do the same for its corrugated and solid board packaging. Profit margins in these segments remained under pressure, it said. Profits were lower in packaging and flat in distribution, where its graphics systems unit failed to contribute.

KNP expected results for 1997 as a whole to be higher in distribution and to provide a "satisfactory return" in packaging. The sale of its plastic packaging activities to Tenneco of the US, approved yesterday by the European Commission, would provide a net extraordinary gain in the second quarter. Shares in the group rose F1 1.10 to close in Amsterdam at F1 38.50.

Gordon Cramb, Amsterdam

CanWest must sell Ten shares

CanWest, the Canadian communications group which is controlled by Winnipeg's Asper family, was yesterday ordered by Australia's federal government to reduce its economic interest in the Ten Network, the Australian commercial television network, within five months. The order, from Mr Peter Costello, Australia's federal treasurer, comes in the wake of an inquiry by the Australian Broadcasting Authority, published last month. This found that, as a result of share transactions between November and January, CanWest was effectively in control of 52.49 per cent of Ten's voting equity.

This is well above the 14.9 per cent voting limit to which CanWest, as a non-Australian company, should be subject, under Australia's media ownership rules.

Nikki Tait, Sydney

Edper and Brascan to merge

Edper Group and Brascan, two lynchpins of the Canadian industrial and financial services empire formerly controlled by the Toronto branch of the Bronfman family, have agreed to merge. The move is part of a series of steps designed to simplify the group's structure in the wake of financial difficulties and disquiet among institutional investors in the early 1990s.

Managers formerly employed by the Bronfmans have gained control of the Edper-Brascan empire in recent years. The group's interests include stakes in Noranda (resources), Brookfield Properties (real estate) and London Life (insurance). These managers, led by Mr Jack Cockwell, will own 10 per cent of the class A and 67 per cent of the class B common shares of the combined company.

Bernard Siman, Toronto

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NetWest Securities Ltd. was a co-funder of the indices.

REGIONAL AND NATIONAL MARKETS	THURSDAY MAY 1 1987							WEDNESDAY APR 30 1987							DOLLAR INDEX	
	US Dollar	Days Change	Found Index	YTD Index	DM Index	Local Currency % ch on day	Gross Div. Yield	US Dollar	Days Change	Found Index	YTD Index	DM Index	Local Currency % ch on day	Gross Div. Yield	Year	Year
Figures in parentheses show number of shares or lots of stock																
Australia (76)	228.18	0.4	206.38	182.13	203.88	193.28	-0.1	3.94	227.38	207.78	182.41	204.71	193.47	228.19	188.44	208.35
Austria (24)	180.38	0.8	164.86	144.13	161.34	181.28	0.0	1.95	178.21	163.75	143.77	161.34	161.28	185.04	174.70	188.21
Belgium (29)	243.80	0.7	222.40	194.45	213.07	213.07	0.0	3.98	241.86	221.01	194.04	217.78	213.07	243.80	205.89	208.11
Brazil (30)	246.35	-0.0	224.90	196.82	220.09	220.09	0.0	1.52	246.35	225.99	197.61	221.77	482.28	247.23	157.23	187.44
Canada (114)	181.45	0.8	174.78	152.81	171.08	193.19	0.0	2.92	189.88	173.20	152.19	170.75	181.88	203.31	154.12	182.40
Denmark (22)	361.41	1.6	329.86	288.46	322.91	321.49	0.8	1.57	355.88	324.57	285.31	320.19	318.83	378.98	251.88	294.87
Finland (26)	258.48	0.8	239.90	207.11	231.84	261.04	0.0	1.62	257.35	235.15	208.45	231.88	281.04	288.58	183.08	193.07
France (91)	218.17	0.5	193.18	174.13	184.35	200.00	0.0	2.87	218.98	198.27	174.08	185.36	186.86	226.25	186.84	186.08
Germany (99)	201.48	0.8	183.94	160.81	180.01	180.01	0.0	1.58	198.85	182.70	160.40	180.01	180.01	207.95	164.47	188.82
Hong Kong (88)	487.34	1.2	428.58	372.94	417.47	469.71	0.0	3.23	481.61	421.78	370.31	415.56	458.09	514.49	407.55	428.91
Indonesia (27)	224.07	-1.4	204.57	178.84	200.20	230.34	-1.3	1.63	227.30	207.74	182.38	204.89	338.83	-	-	-
Ireland (18)	333.38	2.0	304.26	265.99	297.76	312.05	0.0	3.04	326.78	298.58	262.14	294.19	308.28	343.25	270.08	273.85
Italy (59)	30.45	0.8	28.45	25.85	26.75	37.45	0.0	2.22	30.45	28.07	25.85	26.75	112.05	96.32	73.28	83.13
Japan (682)	118.03	1.3	107.76	94.21	105.65	94.21	0.8	0.83	116.54	105.48	93.49	104.82	93.49	181.72	107.57	101.72
Korea (107)	528.58	0.1	483.49	422.70	473.17	511.27	0.0	1.23	528.58	483.23	424.28	478.15	511.27	580.85	512.47	588.08
Malaysia (27)	1943.57	0.2	1226.64	1072.39	1200.44	1200.44	0.0	1.24	1341.45	1225.71	1078.13	1207.89	1165.74	1443.89	1103.35	1280.29
Netherlands (19)	325.94	1.8	324.56	284.10	318.02	314.17	0.0	2.48	324.11	291.83	280.81	314.55	311.35	357.18	278.88	286.59
New Zealand (14)	35.38	0.3	32.98	29.15	30.74	33.74	0.3	4.32	35.32	32.62	29.15	30.74	65.57	96.90	75.94	82.51
Norway (11)	297.31	0.5	271.43	237.30	265.84	285.82	0.0	2.14	285.72	270.21	237.23	268.23	285.82	321.23	243.72	251.28
Philippines (22)	158.74	0.0	144.82	128.70	141.83	208.68	0.0	0.89	158.80	145.10	127.38	142.92	208.88	-	-	-
Singapore (43)	364.27	0.1	332.57	290.79	325.48	242.61	-0.1	1.17	364.01	332.57	292.02	327.72	242.81	448.08	360.08	411.84
South Africa (44)	291.52	0.8	300.05	268.58	323.01	331.49	0.0	2.40	291.80	300.40	260.08	326.55	331.43	470.25	301.48	370.25
Spain (25)	293.17	0.6	210.14	183.72	205.65	205.65	0.0	2.58	293.17	208.12	183.00	206.04	253.27	230.17	171.81	177.00
Sweden (48)	414.18	0.3	378.15	330.58	370.07	478.68	0.0	2.18	412.84	377.21	331.18	371.87	479.48	448.84	334.35	338.94
Switzerland (59)	270.06	0.5	246.56	215.55	241.29	245.45	0.0	1.35	268.70	246.52	215.55	241.29	245.45	270.06	228.38	240.49
Thailand (43)	73.89	0.1	68.07	62.59	67.52	78.67	0.0	4.57	73.89	68.08	62.59	67.52	78.67	184.18	72.98	173.78
United Kingdom (211)	288.48	0.5	281.58	258.87	263.57	263.57	0.0	2.79	283.74	261.08	257.25	261.08	267.23	228.85	201.37	201.37
USA (553)	323.11	-0.3	284.98	257.86	288.68	323.11	-0.3	1.86	324.04	286.08	258.85	261.73	324.04	331.54	254.79	267.30
Argentina (824)	226.49	-0.2	288.77	255.85	284.01	248.82	-0.2	1.86	288.15	270.80	257.56	266.62	248.92	300.45	233.08	244.25
Europe (729)	246.82	0.8	228.88	198.44	222.14	231.72	0.2	2.73	247.30	223.87	198.31	222.55	231.24	248.97	204.71	208.26
Nordic (150)	393.44	0.6	381.81	350.09	354.73	391.58	0.1	1.99	381.19	350.02	358.75	325.17	381.06	385.85	291.45	292.41
Pacific Basin (820)	136.85	1.1	124.78	109.07	122.10	122.10	0.0	1.38	136.85	122.10	109.07	122.10	108.44	174.92	108.44	108.44
Europe-Europe (1029)	187.34	0.8	167.38	146.33	153.81	154.24	0.4	2.15	187.34	168.18	146.33	153.81	153.81	191.51	173.55	188.52
Asia-Pacific (1029)	251.02	-0.2	287.81	251.44	281.48	314.51	-0.2	1.89	318.75	288.50	253.20	254.26	315.28	320.89	248.55	260.79
North America (767)	222.81	0.8	203.42	177.84	198.07	210.41	0.2	2.14	221.13	202.08	177.40	188.08	210.08	224.70	185.85	180.48
Europe Ex. UK (515)	294.42	0.8	268.79	234.86	263.05	263.05	0.0	2.89	297.53	267.85	234.86	263.05	263.05	320.85	268.97	295.46
Pacific Ex. Japan (389)	198.78	0.8	170.92	149.08	158.88	180.20	0.4	2.11	183.54	168.34	148.89	158.88	158.88	193.47	178.84	180.48
World Ex. UK (1824)	284.80	0.3	265.24	238.45	261.38	281.39	0.1	1.91	284.19	264.83	238.45	261.38	261.38	278.59	188.58	211.58
World Ex. UK (2295)	287.38	0.1	262.37	229.57	256.76	276.21	-0.1	2.28	287.12	262.34	229.57	256.49	278.59	282.92	193.10	242.46
World Ex. Japan (1882)	287.38	0.1	262.37	229.57	256.76	276.21	-0.1	2.28	287.12	262.34	229.57	256.49	278.59	282.92	193.10	242.46
The World Index (2477)	230.06	0.3	210.04	188.83	205.55	206.87	0.1	2.00	228.42	208.83	184.04	208.83	208.73	228.38	202.32	213.38
Source: Financial Research Corporation, Inc. Data for the U.S. Dollar Index is based on the U.S. Dollar Index published by the Federal Reserve Bank of New York.																
Source: Financial Research Corporation, Inc. Data for the U.S. Dollar Index is based on the U.S. Dollar Index published by the Federal Reserve Bank of New York.																

Copyright, FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. 1997. All rights reserved. "FTSE Actuaries" is a joint trademark of The Financial Times Limited and Standard & Poor's. Latest prices were available for this edition. Markets open 1/5/97: Australia, Canada, Denmark, Hong Kong, Indonesia, Ireland, Japan, Netherlands, New Zealand, UK and USA.

COUNTRY PROPERTY

FIM

CAPITAL GAINS TAX REINVESTMENT RELIEF

Investments available in 100% individually owned sawmilling companies. 96% of funds allocated to assets in the form of round timber and forest crops.

Low Risk:
Proven track record of performance over 11 years.

FORESTRY INVESTMENT MANAGEMENT
Globe Bank, Gresham House, Portland, Devon, EX11 4UN
1-800-845-4455 Fax: 01434 844562 fimm@worldnet.co.uk

FTSE GOLD MINES INDEX

Gold Mines Index (20)	1483.28	+1.3	1483.28	2318.33	2.38	-	2382.88	1483.00
-----------------------	---------	------	---------	---------	------	---	---------	---------

in Regional Indices

Africa (14)	1731.84	0.0	1732.74	3127.57	5.18	27.42	3197.52	1731.84
Asia-Pacific (8)	1786.37	-0.7	1786.50	2794.45	3.02	19.33	2844.14	1786.37

Weekend May 3/May 4 1997

Nomura shareholders sue former executives

By Gillian Tett in Tokyo

Shareholders at Nomura, Japan's largest securities company, have launched legal action against its former president and some officials following the recent scandal over payments to corporate executives.

The move is a further embarrassment to Nomura, which will learn in the coming days what government action it faces over the scandal.

It provides further evidence of a new trend in Japan, which has recently seen rising numbers of lawsuits brought by shareholders against company officials.

Last month shareholders of Sumitomo Corporation sued its directors for negligence over last year's copper losses. In another case that could serve as a powerful precedent for the Nomura suit, directors of the Japanese retailer Takashimaya were forced to repay ¥170m (\$1.35m) to the company for paying similar bribes to executives - the first such incident in Japanese corporate history.

The latest case against Nomura has been brought by a group of Tokyo shareholders against Mr Hideo Sakamaki, the former president who resigned in March, and three former managing directors.



Legal action: Hideo Sakamaki

The suit demands that the four repay to Nomura about ¥70m they allegedly paid to a company related to "sokaiya" in 1995. Sokaiya are corporate extortionists who threaten to disrupt shareholders' meetings.

Nomura officials have recently acknowledged that Nomura did pay a company widely linked to sokaiya. Mr Sakamaki has always denied he was involved in the payments, although he resigned after the scandal broke.

Shareholders suits are rare in Japan, and until recently few were successful. The Takashimaya case was the first in which directors have been held personally responsible for sokaiya payments. They made an out-of-court

settlement to reimburse the company.

If the government prosecution finds the Nomura directors guilty in a criminal court of making the payments, Nomura shareholders might win their suit - or at least force the directors to acknowledge personal responsibility, some Japanese lawyers said.

Others suggested the outcome of the Nomura suit would depend on whether the government first won a criminal prosecution against the directors for the payments, illegal under Japanese law.

The government has not yet launched a formal criminal case against individuals. Its Securities and Exchange Surveillance Commission is investigating the matter and is expected to report within days. Some officials connected with the case indicated that preliminary drafts of the report would call for several months suspension of business for Nomura, implying criminal responsibility for some individuals.

Any suspension of business could hurt Nomura. Since the scandal broke, a host of clients have refused to deal with the company - a trend which has knocked the group from its traditional position as the largest broker on the Tokyo Stock Exchange.

'Personal gain' may have led to Penguin losses

By Raymond Snoddy

Pearson, the UK media and information group, admitted yesterday that personal gain may have been a motive in the accounting irregularities at Penguin USA which led to a £100m (\$162m) provision in the 1996 accounts.

Until now, Pearson, publisher of the Financial Times, has said there appeared to be no rational motive for the behaviour of an accounts clerk who was dismissed for giving unauthorised discounts for early payments by book-sellers.

Lord Blakenham, in his last annual meeting as chairman of Pearson, yesterday said: "We believe there has been some element of personal gain involved in this matter. We may be making a claim for recovery against one or more third parties."

It is believed that the intricate series of manoeuvres designed to conceal the discounting may also have included a mechanism for syphoning off modest sums.

A number of Pearson small investors questioned how such a large sum could have been lost without management or auditors noticing.

Mr John Makinson, Pearson finance director, said as many as 64,000 different transactions were involved with one book chain alone.

Lord Blakenham added that a thorough review had now been completed of all core financial controls and that "nothing has come to light to cause us serious concern".

He said that since 1983, when he started working with Mr Frank Barlow and Mr Mark Burrell, the company's market capitalisation had increased from £313m to more than £4bn, with earnings per share growing roughly twice as fast as the market.

Lord Blakenham's record was praised by Mr John Govett, of Schroder Investment Management, on behalf of institutional investors.

THE LEX COLUMN

Living with Labour

Mr Tony Blair entered Downing street promising to stop the talking and start the doing. But what does he plan to do? The main feature of his skilful campaign was its minimalist content. Now we await the flesh and bones. The key point of departure, however, is not in doubt: "We ran for office as New Labour, we will govern as New Labour."

Mr Blair said yesterday. Certainly not all will be rosy in the new Labour garden for investors. But fears of Old Labour "tax and spend" recidivism appear misplaced, not least because Mr Blair is so anxious to be re-elected.

As Mr John Major pointed out, Labour starts off with an extremely benevolent economic inheritance. The economy is growing strongly, inflation and interest rates are low, and unemployment is falling.

Mr Blair and Mr Gordon Brown, the new chancellor, have expressed determination not to squander this legacy. Still, they face early and difficult decisions. The main one is how to head off incipient inflationary pressures without exaggerating existing economic imbalances.

While the domestic, service-oriented economy is being driven by strong consumer spending, the traded goods sector is struggling under the weight of sterling, which has appreciated by around 17 per cent since last August.

Mr Brown has every incentive to take the harsh medicine early. This will allow him to deflect any blame on to the departing Tories. The easy part is to accept the Bank of England's advice and raise interest rates at the monthly monetary meeting scheduled for Wednesday.

The harder bit will be using fiscal policy to slow the economy. Here the main focus will be on the Budget pencilled in for July.

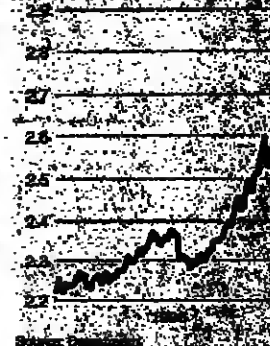
Mr Brown should use both policy levers at his disposal. Raising interest rates next week is necessary, and would forestall any concerns that he is soft on inflation. But his efforts should then shift towards measures that can be taken in the Budget. This route has two big advantages. First, it would alleviate rather than exacerbate the imbalances in the economy. Second, tighter fiscal policy would take the wind out of sterling's sails. Markets are currently discounting a 100 basis point rise in rates by the year-end. If fiscal policy takes some of the strain, rates will rise less and sterling will lose some support.

A fall in sterling might fuel inflation, which would be bad for gilts.

FTSE Eurotrack 200:
2280.2 (+14.2)

Sterling

Against the Dollar (100 pence)



continental project is going ahead, the prevailing tone may very well shift. We could hear rather less sentimental attachment to sterling and rather more fretting that the UK is being left out.

Another awkwardness is that Labour has more or less ruled out joining in 1998. But that has not stopped Mr Robin Cook - traditionally on the euro-sceptic end of the argument - openly noting that "it would take a very sober and serious calculation to stay out beyond 2002". And to join in that sort of timetable, some pretty substantial investor-friendly preparations notably independence for the Bank of England and rejoining the exchange rate mechanism - would need to be made beforehand.

UK utilities

It is only natural, you might think, that when Labour wins a thumping majority the most politically sensitive stocks - the utilities - take a hit. Yet the market's logic looks shaky. The most obvious worry is that the new government's strong parliamentary position will somehow tempt it to extract more cash through the planned windfall tax. But does the parliamentary arithmetic really have anything to do with the matter? Even if Labour's majority were tiny, it is hard to imagine the party having difficulty pushing through a hefty windfall tax. In reality, the size of the tax continues to depend on what it always has depended on: Mr Gordon Brown's finger in the air.

But what of broader regulatory risks? After all, Labour has previously toyed with shaking up the regulatory system - perhaps introducing profit-sharing. However, all the signs suggest these notions have been dropped, and rightly so. Not only is the present system superior in theory, regulators such as Ms Clare Spottiswoode at Ofgas have demonstrated that in practice it has real teeth. And as for specific regulatory risks, such as the danger that the generators' grip on power prices could be referred to the Monopolies and Mergers Commission, these again have little if any connection with the scale of the government's majority.

Utility share prices continue to price in copious margins for precisely these kinds of risk. If anything, the current weakness provides a refreshing buying opportunity after the sector's recent strength.

Emu

What is the single most important decision Mr Tony Blair will have to take in government? Easy, whether to join European economic and monetary union. And on this question, Labour's staggering majority makes a big difference. It means the option is indisputably open to him, with no need to worry about selling it to sceptical parliamentary colleagues. Moreover, taking the Emu gamble could have persuasive attractions for Mr Blair: it would dramatically enhance the Labour government's standing with both Britain's European partners and the financial markets.

Naturally there are snags. One may be public opinion. After all, Mr Blair is pledged to a referendum before joining Emu. But as it becomes clearer in Britain that the

Bull sheds 5% after Paris sells another share stake

By David Owen in Paris

Shares in Compagnie des Machines Bull, the French computer group, dipped sharply yesterday on the first day of trading in the latest stage of the group's privatisation.

The shares closed down FF2.45, or 4.9 per cent, at FF47.5 (\$8.16) on heavy volume, compared with a 0.6 per cent advance for the benchmark CAC 40 index.

The decline came in spite of oversubscription of the French state's offering of 17.1m

shares in the company, representing 10 per cent of its equity. Analysts attributed it to profit-taking by private investors.

These investors were able to buy the newly offered shares at FF36, against FF38 for institutions and the FF49.95 level at which trading in Bull was suspended last month.

The offering has more than quadrupled the proportion of the company's capital traded on the market.

After accumulated losses of FF22bn between 1989 and

1994, Bull has been profitable for the past two years and is forecasting a further "clear improvement" this year.

However, the company's recovery has some way to go. Last year's 3.2 per cent operating margin was well below the 10.4 per cent average achieved by what Bull regards as its top five competitors.

The operation leaves the French state with a 17 per cent stake in the group, whose other shareholders include France Telecom, NEC of Japan and Motorola of the US.

Companies in this issue

APV	22	Dresdner Bank
Askyb	23	Edger Group
Brascan	23	Imaginix Communications
Bull	24	KNP
CanWest	23	Morgan Grenfell
Colonial	23	Nomura
Deutsche Bank	2	Pearson
		PolyGram
		Unilever

Markets latest

FTSE 100	4455.8	(+10.8)
FTSE Eurotrack 100	2280.2	(+14.2)
FTSE All-Share	2142.25	(+3.7)
Nikkei	19,514.76	(+238.42)
Dow Jones Ind Ave	7093.57	(+28.88)
S & P Composite	803.83	(+5.30)
3-mo Interbank	6 1/4	(+1/4)
Life long gilt bid	4 1/4	(+1/4)
US LUNCHTIME RATES		
Federal Funds	5 1/2	
3-m Treasury Yld	6.27	
Long Bond	9 1/4	
Yield	6.87	
NORTH SEA OIL (Argus)		
Brent Dated	\$17.77	(18.4)
GOLD		
New York ComexDec	\$340.3	(\$40.4)
London	\$338.90	(\$40.1)
STERLING		
New York Lmchtime	\$	1.621
London	\$	1.612
DM	2.707	(2.808)
FF	4.492	(4.701)
Sfr	2.353	(2.308)
Y	205.093	(205.284)
£ Index	96.7	(100.1)
DOLLAR		
New York Lmchtime	\$	1.621
London	\$	1.612
DM	1.735	(1.731)
FF	5.827	(5.838)
Sfr	1.472	(1.473)
Y	126.72	(126.8)
£ Index	100.0	(100.4)
Tokyo close	¥ 128.75	

FT WEATHER GUIDE

Europe today

Most of the continent will remain warm, with maximum temperatures above 20C. Italy, eastern France and the Alps will be mainly sunny. Some cloud will move across the UK and western France, which may have showers or rain later. The interior of Spain and Portugal may have an isolated thunder shower. Southern Scandinavia will turn cooler with sunny spells and a shower or two. Poland and the Ukraine will have showers or some steady rain. The Balkan states and western Turkey will become dry.

Five-day forecast

Western Europe and southern Scandinavia will turn cooler and unsettled with frequent showers or outbreaks of rain. Most of central Europe will be warm with sunny periods until Tuesday, when thunder showers will arrive and temperatures will drop steadily. East and south-east Europe will stay mostly dry and warm.

TODAY'S TEMPERATURES

Location	Max	Min
Abu Dhabi	34	24
Accra	30	20
Algiers	22	12
Amsterdam	18	8
Athens	20	10
Atlanta	24	14
B. Aires	20	10
Bham	22	12
Bangkok	28	18
Barcelona	21	11
Cebu	28	18
Delhi	32	22
Dubai	30	20
Dubrovnik	20	10
Edinburgh	11	1
Faro	20	10
Frankfurt	24	14
Geneva	24	14
Glasgow	14	4
Hamburg	17	7
Helsinki	17	7
Hong Kong	28	18
Honolulu	30	20
Istanbul	19	9
Jakarta	33	23
Jersey	17	7
Karachi	36	26
Kuwait	38	28
L. Angeles	23	13
Las Palmas	24	14
Lima	25	15
Lisbon	25	15
London	23	13
Luxembourg	22	12
Lyon	27	17
Madrid	21	11
Manila	28	18
Maracaibo	28	18
Medan	28	18
Memphis	28	18
Miami	28	18
Montreal	17	7
Moscow	14	4
Munich	17	7
Nairobi	24	14
Naples	21	11
Nassau	23	13
New York	24	14
Nice	25	15
Niagara	21	11
Osaka	23	13
Paris	22	12
Perth	27	17
Prague	21	11
Rangoon	28	18
Raykjavik	17	7
Rio	28	18
Rome	28	18
S. Francisco	19	9
Seoul	25	15
Singapore	31	21
Stockholm	12	2
Sydney	21	11
Taipei	28	18
Tel Aviv	22	12
Tokyo	24	14
Toronto	11	1
Vancouver	14	4
Venice	22	12
Vladivostok	24	14
Warsaw	17	7
Washington	20	10
Wellington	18	8
Winnipeg	15	5
Zurich	22	12

Lufthansa

Frankfurt. Your hub to the heart of Europe.

FOR THOSE CLIENTS WITH SUBSTANTIAL ASSETS, A MORE SUBSTANTIAL PRIVATE BANK.

Barclays Private Bank Limited is dedicated to wealth management for those individuals who have substantial personal assets.

If you would like more information, please contact Irene Agass at:

Barclays Private Bank Limited,
59 Grosvenor Street, London W1X 9DA.
Telephone: 0171 487 2000.



BARCLAYS PRIVATE BANK LIMITED

Incorporating BZW Portfolio Management

Barclays Private Bank Limited is regulated by the Securities and Futures Authority.



Survival in Surinam

'Houses are windowless, built of wood with a thatch of palm leaves and a fireplace under a canopy.'



Stacked high

'You only look like a fashion victim if you can't walk in them and the soles don't flex.'



Soft sell

'After 100 years of screwing up, the government has got its attitude to sex about right.'

Page XVIII

Page XII

Page III

Make war, not love

Julius Caesar was said by Suetonius to be every woman's man and every man's woman. In his early years, he seems to have been so sexually voracious that Latin warnings equivalent to "lock up your daughters, and your sons" swept through communities visited by Caesar's conquering armies.

Homosexuality was widespread within the armies of ancient Greece. Hoplites, the middle class citizen-warriors who formed the core of the Greek infantry, regularly fought alongside their young lovers in the wars between the city-states.

Thebes went as far as to create a Sacred Band of 300 shock troops, formed from pairs of lovers. Deep emotional ties served to mould the men into a highly successful fighting unit; the Sacred Band played a crucial role in promoting Thebes' military power in the 4th century BC, and went undefeated until its heroic annihilation by Philip of Macedon at Chaeroneia in 338BC.

Far from attracting social sneering, this identification of homosexual love and military cohesion in "armies of lovers" was the stuff of legend in the ancient world. Achilles' rage at the death of his lover Patroclus outside the gates of Troy was enough to finish Hector and earn a place in Homer's Iliad.

More recently, homosexuals have fared less well. The rise of Christianity meant that for many centuries the love that dare not speak its name disappeared from military records. Homosexuality was banned in 19th century Britain and early 20th century America. In the 1920s, US recruiters looked for the "stigmata of degeneration" to weed out gays from the armed forces, and homosexuals have been hunted more or less constantly ever since. Despite increasing acceptance of gays in society since the 1960s, the military remains deeply hostile to homosexuality.

While there are divided attitudes to gays in society as a whole, the issue strikes a particularly raw nerve in the world's armed forces. But why should homosexuality cause so much angst in modern militaries? If it was acceptable for Caesar or Alexander, why not in a modern major general? If sexual love was a tool which could forge a deep esprit de corps in ancient Greece, why not in the UK or France?

It is clearly not possible to make direct comparisons about military methods and social attitudes across 2,500 years, yet the need to bind fighters emotionally into a unit remains as important today as it was in the ancient world. Many of the techniques used by modern armies to train recruits are designed to promote cohesion between brothers in arms: the military relies on generating a love which can make a soldier lay down his life for his friends.

Yet although there is a range of legal approaches, from active tolerance in the Netherlands to total ban in Britain, armed forces everywhere have a consistent dislike of homosexuality, male and female. At one extreme in Russia, the situation is described as "like the British Army, a century ago. Officially, it doesn't exist. Unofficially, sergeants beat gays up or help themselves

Modern armed forces loathe homosexuals, claiming they weaken fighting units. They say military cohesion is more important than moral considerations. Bernard Gray wonders whether this is right



heterosexual

homosexual

as the whim takes them." In China, homosexuality is treated, sometimes brutally, as a mental disorder. Even at the other end of the spectrum, in the liberal Netherlands, there are few openly declared homosexuals.

At the same time as promoting strong tribal links between individuals, modern armed forces make watertight distinctions between the bonding of the group and homosexual ties. This may be partly because they seek to ease fears about identity in the minds of young, emotionally inexperienced recruits. Being physically close to other members of the same sex and being encouraged to feel strong emotional links to them may be made to feel permissible if at the same time the young squaddie can insist that he is not queer.

Those who run the armed forces also claim that the modular nature of modern armies means that a soldier's identification has to be with a disembodied tribal notion of the unit, rather than with overly deep personal attachment to a few close friends.

The loathing of homosexuality in modern armies goes well beyond this, however. It is bound up with the notion of what constitutes the group and what is "other". Armed forces are often misogynist and racist as well as homophobic, as the US Tailhook scandal, in which women navy officers were sexually molested by male colleagues, and recent US rape trials involving female recruits and male superiors, graphically demonstrate.

Military units form an idealised image of a group member: those who do not fit that mould, from civilians

to other services to people with ears that stick out, are ridiculed. This sense of exclusivity as a binding force for the group reaches its ironic height in the cap badge rivalries between units, where members of the same army are condemned as "crap-hats".

In the case of homophobia, this leads to some virulent prejudice: research by the British Ministry of Defence last year uncovered shocking and violent attitudes among service personnel.

"If there were a homosexual on board, he will have an accident waiting for him when no one is looking,"

Deep emotional ties served to mould the men into a highly successful fighting unit

said one 23-year-old able seaman in the Royal Navy.

"I would never serve in a unit where a known homosexual is serving and like many others would quite happily smash their faces in if I found any in my unit," claimed a 29-year-old Royal Signals corporal.

And according to an infantry corporal: "The first homosexual to come out will get attacked or shot."

That such homophobic attitudes exist is perhaps not surprising, but the extent of the loathing is remarkable. Almost 90 per cent of male personnel strongly objected

to the presence of gays, with less than 10 per cent prepared to back a more tolerant approach. Many also felt free to voice opinions, such as those quoted here, which imply a preparedness to commit murder.

Stoewall, and other gay activist groups, dispute the methods used in the MoD's survey, and there must be an element of braggadocio about some of the more violent threats. Anecdotal evidence also suggests that service personnel are more tolerant of gay individuals they know personally than their attitude to the abstract issue might suggest.

Even so, there can be little doubt about the intensity of the opposition to homosexuals. This resistance is now the cornerstone of the British MoD's opposition to gays, with officials claiming that over-riding such strongly held views would diminish the cohesion of the UK's armed forces in combat.

Cohesion is vital to the success of modern armed forces on the battlefield; military thinkers agree on the decisive role for the co-ordinated application of force in warfare. The MoD argues that since war is about winning, not taking part, it verges on the immoral to do anything to damage the combat effectiveness of those who risk their lives to defend their country.

Gay lobbyists claim, however, that there is no evidence of a decline in combat cohesion of countries which have allowed homosexuals to serve. This seems to be backed up by a report from the Rand Corporation for the US government, which found that none of the armed forces which had relaxed their rules on gays had

encountered significant problems.

Such bland reassurance may mask more than it reveals. In countries where politicians have forced through change, there is little incentive for the military to argue that it has a discipline problem which it cannot control. In these countries research into the impact of gays on the military has also been discouraged. And the presence of so few open homosexuals in any of the "tolerant" forces hints that many still fear intimidation.

There are also grounds for suggesting that even where

Should we not say: 'This will be unpopular but we are going to do it because it is right'?

social attitudes have shifted, and legislation is strong, military prejudice can prove hard to eradicate. Incidents of sexual harassment, such as Tailhook, and the "pervasive racism" in the UK military unearthed by the Office for Public Management in a recent investigation, hint that gays may not find life easy if British law on homosexuality is changed.

Yet even if there is an impact on military cohesion, even if gays are bullied, even if some in the military feel that they would have to put up with people they find repugnant, there remains a

strong moral case for change.

At present, *de jure* in the UK and *de facto* elsewhere, homosexuals are being told that they are not welcome in the military on the quasi-arbitrary basis of prejudice against one aspect of their identity. Most homosexuals, like most heterosexuals, do not wish to join the armed forces. But for those who do, this bar is an infringement of their right to serve. Even those who do not want to sign up say they feel less a part of a society which will not accept them as fit to die for their country. The prospective harm to the military must be great to justify such inequality.

Ironically, the treatment handed out to gays who have been expelled from the military in the UK further weakens the MoD's case for a continued ban. Since there is usually little evidence to prove someone's homosexuality, the UK's Special Investigating Branches have relied on confessions, often brutally extracted.

Duncan Lustig-Preen, a former lieutenant commander dismissed from the Royal Navy because he was gay, was asked in an interview typical of its type: "Is this a picture of your dog? Do you have sex with it?" There are numerous examples of similar insults. Even if the ban could be justified on military grounds, toleration of such behaviour by those who run the military could not, and this brutality undermines the claim that the current system is well disciplined.

The new government elected in Britain on Thursday faces challenges to this policy over the next year as cases in the European courts

administration and Pentagon chiefs is slowly being strangled by its own contradictions. What happens to gays who are discovered in US forces, and the lack of clarity over whether the military is tolerant or not, means that gays are continuing to leave the military while the threat of legal challenge mounts.

Inherent in all of this is a collision of public goods: a clash between what constitutes an effective military, and the right of the individual not to suffer discrimination. It drags in the uncomfortable notion that armies may refuse to learn tolerance. That these goods may not be reconcilable, that it may not be possible to have a military which happily includes women, ethnic minorities and gays in an optimal fighting force. That societies may have to choose.

Unfortunately, the issue seems most likely to be thrashed out in the courts in narrow legal arguments, rather than as an open debate within society about the kind of communities western democracies wish to be. Governments, scared of conservative reaction, may let the judiciary make the tough choices for them.

While such stuff is the everyday currency of low politics, it seems too mean an attitude to an issue which is, above all, a declaration of principle. Rather than being dragged into change, it would surely be better to make a choice which says: "Yes, this will be deeply unpopular, and yes, it may damage our military effectiveness, but we are going to do it because it is right."

Western society is not threatened by a monolithic enemy which demands the sacrifice of moral rights to expedience. Nor is it besieged in the war of ideas. Its biggest challenge is to fulfil the promise of its own open and plural nature. It is time to show the grace and tolerance which all of the fighting was supposed to defend.

RAFAEL VALLS LIMITED

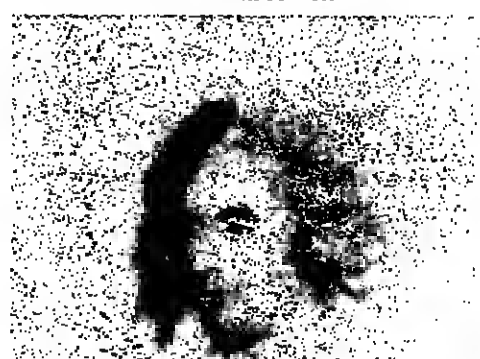
OLD MASTER PAINTINGS

11 Duke Street, St. James's, London SW1Y 6BN

1997 CATALOGUE

RECENT ACQUISITIONS

Including works by Ludolf Backhuysen, Nicholas Berchem, Jan Brueghel II, Pieter Claesz, Allart van Everdingen, Jan van Goyen, Adam Pynacker, Solomon van Ruysdael, David Teniers the Younger, Dirk Valkenburg and Simon de Vos.



SIR THOMAS LAWRENCE, P.R.A.

A Portrait of a Gentleman, possibly William Eden, 1st Lord Auckland, M.P. (1744-1814), a head study, unfinished

Oil on Canvas: 30 x 25 inches (76.2 x 63.5 cms)

Old Master and Paintings

11 Duke Street, St. James's London SW1Y 6BN
Tel: 0171 930 1144
Fax: 0171 976 1596

6 Ryder Street, St. James's London SW1Y 6QT
Tel: 0171 930 0029
Fax: 0171 976 1596

Members of B.A.D.A. and S.L.A.D.

This week's contents and columnists

Arts	VII, VIII	Motoring	XIII
Arts Guide	XCI	Perspectives	II-IV
Books	V, VI	Property	XIV, XV
Bridge Chess Crossword	II	Joe Rogaly	III
Fashion	XII	Small Businesses	II
Food & Drink	X	Sport	XX
Gardening	XIV	Travel	XVI-XIX
How To Spend It	XI, XII	Truth of the Matter	III
Lunch with the FT	III	Weekend Investor	XXII, XXIII



Joe Rogaly Klingon business

'Nowhere is Microsoft-free; there is no spot to which Mr Gates cannot beam himself down.'

Page III

True Fiction

Short-cut to numero uno

'My mind has been tripping with breezy tunes. Something sensational is about to happen.'

Page XXIV

PERSPECTIVES

Steve Wilsher has the kind of job little boys dream about. One afternoon he is experimenting with powder and milk to create tiny mushroom clouds for a feature film; the next, he is making a sculpture for a satellite television company logo.

For the past 20 years, he has been running Creative Effects, which makes special effects for commercials for television companies and the cinema, and trophies for television and advertising ceremonies. At the back of his workshop are the remains of a Swiss mountain stream used in a recent commercial for Mollie, a Norwegian grape and apple drink; two polystyrene 2ft by 2ft tanks, a polystyrene "mountain" and six bags of pebbles.

In Wilsher's workshop is an inflatable "2", used for self promotion by BBC2 between its programmes last year. And on the floor can be found a box of 90 white plates, joined by biro tips. The plates spin together and form BBC2's new symbol. He has also made masks for horror films, such as the BBC Frankenstein series, created burnt-out cars, bags of spool blood and graphics for the Open University television programmes.

Wilsher says his job requires mechanical and chemical knowledge, and plenty of creativity. "Engineering know-how is essential, but not always. Sometimes you fly by the seat of your pants, for example when we joined the plates together with biro tips."

The last 12 months have been the best in the company's history. In the year to February 1997, Creative Effects made pre-tax profits of £50,000 on turnover of about £100,000, an increase of 15 per cent from the previous year when the company made £42,500 before tax on turnover of £85,000. Next year, he expects turnover to be between £115,000 and £120,000.

Creative Effects has benefited from the increasing fragmentation of the television production industry. But Wilsher also puts the company's improved profits down to its conscious effort over the last three years to



From biros, plates, polystyrene and just about any old rubble, Steve Wilsher and team can create visual extravaganzas

Colin Brown

Minding Your Own Business

Behind the bloody masks . . .

. . . is plenty of hard work and lots of creativity, finds Heather Farmbrough at a special effects company

pay scrupulous attention to detail.

"We've constantly checked ourselves to make sure we were as effective as we could be," he says. "This is a knife edge business: if we make one small mistake which costs our clients several thousand pounds, that's it."

Wilsher admits to having had plenty of sleepless nights worrying about where the next month's work will come from. When the company moved into its current premises in 1995, orders slowed inexplicably for several months. And on more than one occasion, to cover

short-term capital requirements, he has had to give personal guarantees on bank loans, which he says he found deeply worrying.

The company's origins go back to 1971 when Steve, who graduated from Hornsey College of Art and Design with a diploma in Industrial design, was made redundant from his job as a motorcycle designer with BSA, Birmingham Small Arms.

"My last and only proper job," he says wryly. A friend who worked as a set designer introduced him to the BBC and Wilsher started

making occasional special effects from his parents' garden shed in Ealing, with the help of his father, Godfrey.

Tim Lamont, an old school friend, also started helping out as Wilsher took on more work in the 1970s. When his parents decided to buy a small workshop in Kew for their cycle business, Wilsher and his wife Lizzie moved into the flat above. He continued to make special effects in the workshop on an ad-hoc basis while also helping his parents out. But in 1977 he decided finally to establish his own company. Lamont took a two-year art

and design foundation course at Kingston to gain a formal training, and Wilsher's mother and father joined the business full-time to run the office and do the accounts.

The business grew steadily throughout the 1980s and early 1990s, and in 1996 Wilsher bought a 3,500 sq ft Victorian former dance school, for £170,000. The building, which has previously hosted the Teddington Working Men's Club and a police station, is also allegedly home to a ghost, an appropriate source of inspiration for Wilsher's more

ghoulish effects.

The building comprises a 620 sq ft studio which Wilsher rents out to production companies for £250 a day, and the main workshop, which is roughly the same size. The tools of Wilsher's trade include equipment one might find in any small engineering business - lathes, drills, a vacuum-former currently producing gold ingots, and a spray booth.

Machinery accounts for Wilsher's biggest expenditure to date, in some years amounting to £300,000. He manages to keep costs down however by hiring equip-

ment for the more specialised effects when required, such as a Volkswagen engine to create a wind effect.

The relaxed atmosphere in the workshop belies the serious side of the business. All machinery conforms to national and EU safety requirements and the workshop is inspected by Health and Safety Executive officials. Wilsher also insists that employees wear respirators, ear-muffs, goggles and protective clothing for particular projects. His safety record is unblemished and he wants to keep it so.

Wilsher's main problems concern people rather than materials. Each big project invariably requires the workforce to expand from six permanent employees to around 15. The hours can also be long, from 8.30am to early hours the following day. Wilsher says this is one reason he moved into premises only five minutes' walk from home.

"The amount of effort needed to achieve the result is tremendous," he says, "and it's difficult to make sure you're at your best when you've hardly slept for several nights. It's very easy to make mistakes."

Another hazard is petulant production company directors. "Most of our business is done on trust," he explains. "Until we've been paid, the director can simply turn around and say 'this wasn't what we discussed', even if it was. Assessing the client is very hard - the most charming can be utterly unreliable."

In an industry where reputation and word of mouth is crucial, Wilsher has to tread carefully with even the most difficult of clients. He is convinced he can only maintain his reputation while he has his finger on the pulse and so has deliberately kept the company small.

"The more you expand, the less control you have," he says. "I don't want to lose the essence of my company. People come because they know Tim and I are here." He has also maintained the family touch - his mother makes sandwiches every day at lunchtime for all the employees and there is a fully equipped kitchen upstairs for their use.

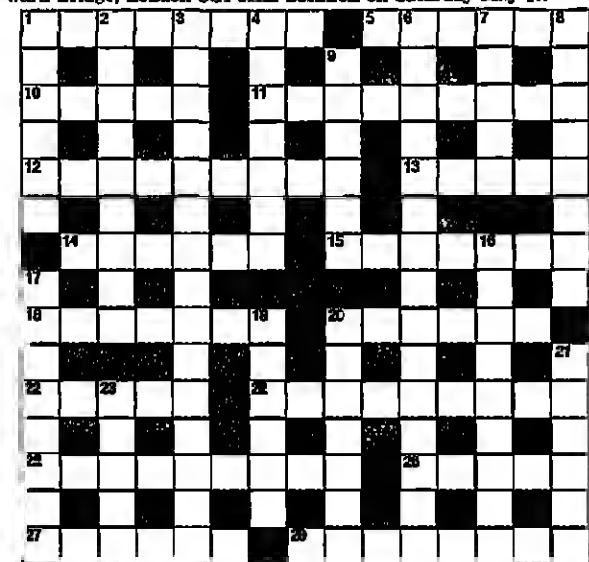
Despite keeping the business fairly small, Wilsher says he worries that the amount of time he has to spend running the business can detract from his creativity. But his dedication to his art holds him in good stead, and he says he is proud of the fact that his team can make anything on time and within budget. "We can work from a pile of rubble and make something pristine and beautiful."

■ Creative Effects, Church Road Studios, 30 Church Road, Teddington, Middlesex, TW11 8PB, Tel: 0181-933 1066.

CROSSWORD

No. 9,365 Set by CINEPHILE

A prize of a classic Pelikan Souverän 800 fountain pen for the first correct solution opened and four runner-up prizes of M200 Pelikan fountain pens. Solutions by Wednesday May 14, marked Crossword 9,365 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8UL. Solution on Saturday May 17.



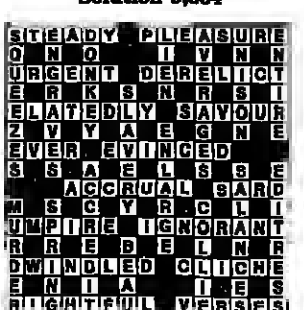
Name _____

Address _____

ACROSS

- 1 Incapable of excitement at very large income (8)
- 5 Large helping of puppet work (3)
- 10 Boredom for some's given nuisance to others (5)
- 11 Moments before start of year out of Ulster district (5-4)
- 12 Leave your car at the sign - slow mover outside - it won't go without me (5,4)
- 13 Number with remainder on top (6)
- 14 Old train making a lot of noise with Roman boy around (6)
- 15 Some fundamentalists are prohibitionist . . . around Kabul (7)
- 16 Nectar drinker gets a bit of butchy from conductor (7)
- 20 Interfere with doctor in case (5)
- 22 Mopper up has the backing of many including the FT (5)
- 24 Volatile rather than hermetic (9)
- 26 Signature of author, all but the last page removed (9)
- 28 Crimean man supplying printer (5)

Solution 9,364



WINNERS 9,363: Dr S.W. Kemp, Yeovil, Somerset; J. Anslow, Parham, Surrey; R. Lovett, Wemham, Middlesex; F.E. Linforth, Fuengrola, Spain; Mrs G. Pickles, Stratford upon Avon; C. Verrill, Brightingess, Essex.

CHESS

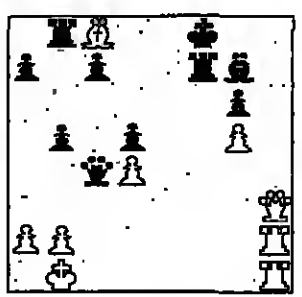
Garry Kasparov, who sees himself as a bastion of human thought against the advance of chess playing computers, takes on his most important silicon challenge this afternoon when his six-game, \$1.1m return series against IBM Deep Blue opens in New York.

Kasparov has lost to computers at five-minute blitz chess and at 25-minute rapid-play, but he won two previous matches against Deep Blue and its predecessor Deep Thought by 2-0 and 4-2, despite his celebrated defeat in the first game of the 1996 match. Deep Blue is part of IBM technology which is applied in pharmaceutical development and astrophysics research. It calculates 200m moves a second, but its team of five scientists plus the grandmaster Joel Benjamin realise that their main problem is Kasparov's skill in exploiting DB's horizon effect, the machine's inability to judge a long strategic sequence.

IBM's internet site (<http://www.chess.ibm.com>) has boosted its capacity which was overwhelmed last year by millions of fans seeking to follow the match move by move. I expect Kasparov to win 4½-1½, but computers are ruthless against casual

play, as in this game where a Chinese grandmaster tries a dubious opening (Kallisto v Ye Rongguang). 1 e4 e5 2 Nf3 Nc6 3 d4 exd4 4 Nxd4 Nge7? 5 Nc3 Nxd4 6 Qxd4 Nc6 7 Qe3 g6 8 Bd2 Bg7 9 Nd5 d6 10 Bxh2 10 Bc3 10 Bc8 11 f4 Bxd2 12 Bxd2 Bxd5 13 Bxd5 Qd7 14 f5 gxf5 15 exf5 Qe7 16 Be6 Nf8 17 0-0 Nxe6 18 fxe6 0-0 19 Rf5 e6 20 Bd4 Rxe8 21 Re1 e5 22 Bc3 h6 23 Qd3 Kh7 24 Qd3 Kh8 25 Bd2 Qe7 26 Rh5 f5 27 Bxb6 Bxb6 28 Rxb6 Kgt 29 Rh5 Resigns.

No 1178



M Chandler v F Nijboer. Lloyds Bank 1992. White (to play) was short of time, and while searching for a win after 1 Be6 R4 his clock flag fell. Can you suggest a less tragic finish for the grandmaster? Solution Page XXXI

Leonard Barden

BRIDGE

If you declined to vote this week, here is a second example of finding yourself in the enviable position of not caring which side wins.

N
♠ K 6 5 2
♥ 4 3
♦ A K Q
♣ A J 2

W
♠ 9 3
♥ K Q 10 7 5
♦ 6 5 2
♣ 9 4 3

E
♠ J 9 8 2
♥ 10 9 7 3
♦ Q 8 7 5
♣ Q 8 7 5

S
♠ A Q 10 8 7
♥ A 8
♦ J 6 4
♣ K 10 8

South opened 1S and North correctly jump-shifted to 3D. A jump shift is a fine prelude to slam investigation, but only when the responder knows which suit will be trumps. To jump with a strong hand but no fit will waste the bidding space required to determine the best contract.

Here, however, North can agree spades at his next turn, and 6S should be

reached without difficulty. With a certain heart loser, discovering the position of Q♠ seems to be the key. There is no need to agonise however, as good technique will force East-West into revealing its whereabouts. Winning K♥ lead, South should draw trumps, and eliminate diamonds from both hands by cashing all three rounds. This simple process prevents the opponents from safely leading a diamond later. Declarer now loses the lead by playing his other heart - leaving no hearts in either hand also. Often, it is important to exit into one opponent's hand rather than the other, but here, he is supremely unconcerned.

Whichever opponent finds himself on lead will be forced to lead either a club - providing a free finesse, or a red suit which allows declarer to ruff in one hand and discard the club loser from the other.

Paul Mendelson

The Nature of Things

Artificial ambitions

A 47th chromosome may one day be possible, says Clive Cookson

The nucleus of every cell in our body contains 46 structures that look under the microscope like sausages made by a drunken butcher. They are the chromosomes, containing the 80,000 or so genes that control our development as individuals from conception to the grave.

Today, anyone with more than 46 chromosomes per cell - arranged as 23 pairs - would be seriously ill. But in a few years, people may be given extra chromosomes as a treatment for disease. Scientists have recently taken a big step in this direction by making the first mammalian artificial chromosomes (MACs) and human artificial chromosomes (HACs).

Present techniques for inserting new genes into cells - to create transgenic animals or carry out gene therapy in humans - are very crude. Whether the genes are micro-injected into a newly fertilised egg or carried into cells by specially adapted viruses, there is little control over where they go. This hit-or-miss approach is partially responsible for the disappointing record of gene therapy trials so far.

The attraction of MACs is that, instead of being inserted at random into the nucleus, new genes could be wrapped up in a special chromosome with its own machinery for maintaining and replicating DNA. Two biotechnology companies, Chromos and Athersys, have reported the successful production of experimental MACs within the past year, in collaboration with academic researchers. And Henry Geraedts, chief executive of Vancouver-based Chromos, estimates that a dozen other academic research groups are working on mammalian artificial chromosomes.

Scientists are not only excited by the potential practical applications. They also believe that MACs will be valuable research tools for the next stage in the International Human Genome Project - moving from mapping and identifying genes to understanding how they work together to cause disease.



A view through an electron microscope of a mammalian artificial chromosome made by Chromos

The first artificial chromosomes were made in yeast more than 10 years ago, and these YACs have become an essential tool for genome research. They were prototypes for the new MACs, which are much more complex constructs.

A human or mammalian chromosome requires three components to function properly:

- Telomeres are DNA caps on the ends of the chromosome with a similar role to those on a shoelace - to protect the main structure from damage.
- The "origin of replication" is a stretch of DNA that initiates the process in which the chromosome reproduces itself.
- The centromere is a DNA structure in the middle of the chromosome that plays a vital role when the cell divides. It seems to be an attachment point for the protein fibres that pull the duplicated chromosomes apart.

Huntington Willard, leader of the Case Western Reserve University group that produced HACs in collaboration with Athersys, says the most difficult part was to make functioning centromeres that remained stable through multiple cell divisions.

The Athersys/Case Western Reserve HACs are minichromosomes, about one-

tenth the size of natural human chromosomes. But they maintained their independent existence inside the nucleus and continued to function through 240 divisions in a laboratory cell culture.

"We are already moving ahead to refine the system and begin building an efficient and versatile vehicle for the introduction and stable maintenance of

potential in gene therapy, particularly using MACs as "gene cassettes" to slot in genes and gene-complexes that are too large to be inserted in any other way.

But the first application of the Chromos MAC will be to improve the yield and versatility of mammalian cell cultures as a source of protein drugs.

The second proposed application of the Chromos technology will be to produce better transgenic animals - as models of human disease, production systems for human proteins in milk, and sources of organs for transplantation into people.

Chromos is an unusual Canadian-Hungarian company, with corporate laboratories in both countries. It is based on the work of Gyula Hadlaczky and colleagues at the Hungarian Academy of Sciences Biological Research Centre in Szeged.

In February, it opened the world's first pilot plant for MAC production in Vancouver; this can produce chromosomes for research at a rate of about 5m a day with 99 per cent purity.

However, much more research will be needed - particularly into ways of delivering HACs safely and efficiently into human cells - before doctors are in a position to offer anyone a 47th chromosome.

Geraedts says his company sees immense long-term

PERSPECTIVES



Joe Rogaly

No spot on earth will be Microsoft-free

Klingon businessmen and their satellites make it vital that we devise a new way of running the world

We have to face the truth. The Klingons are taking over. They are no longer trying to hide their intentions. How else can you explain their multi-billion dollar scheme to launch more than 300 communications satellites, starting in the year 2002? This army of messenger-robots will carry information between corporations, across boundaries. It will bypass governments, circle the globe, reach into every telephone, every private domain, know everything. You will have read about this ingenious strategy over the past few days. The key participants are Bill Gates, founder of Microsoft, and Craig McCaw, who acquired something approaching a dozen billion dollars when he sold his cellular phone business in 1994. All right, so they are not

Klingons, not in outward appearance anyway. Just tell yourself they are a couple of friendly humanoid multi-billionaires. If that brings you closer to them than you are to the aliens in *Star Trek*, good luck to you. Did I say aliens? Mr McCaw is a mystery to me. So is Mr Gates, but in his case there is a familiar feeling about his presence. Let us digress for a moment, and you will see what I mean. Just eight days ago I was in Johannesburg, visiting a senior African National Congress politician, a man with the impeccable credentials of having done time on Robben Island with Nelson Mandela. "I just took a call from Bill Gates," said our host, a hint of pride on his face. "He has plans to bring computers into every part of Africa." See? There is nowhere that can be called

Microsoft-free, no spot on earth to which Mr Gates cannot beam himself down. The emperor of the nerds' arrangement with Mr McCaw is stupendous. The pair have persuaded Boeing to pay \$100m for a tenth of Teledesic, the company that will own the new satellites. Its network, aloft and omnipresent, will serve millions of users simultaneously. Their devices will be able to communicate with one another 60 times faster than the modems in contemporary personal computers. Simply rehearsing this prospectus makes us dizzy. What, I wonder, would happen if there was a book-up to surveillance cameras? The answer is too easy to imagine. Yet we need not be conspiracy theorists to feel the power of the Klingons. In the FT account of the deal with Boeing

the chief executive of Teledesic was quoted as saying the new service "will offer the same performance in Africa as it does in the US". A little shiver went down my spine as I read that. We will not weary you with further details. Just let us say that the good-gosh news from Teledesic will not end with Boeing's purchase, or its appointment as prime contractor for the design construction and launch of the proposed fleet of low-orbit spunkies. That is merely a symptom. The nub of the matter is that the capacity of electronic gadgets to carry information is expanding faster than our ability to make good use of it. When all the currencies on all the screens of all the dealing rooms on the globe have been turned over once, what then? Spin them around monthly?

Weekly? Daily? Continuously? It will be the same when it comes to shipping commodities or manufactured goods, siting factories, exporting or importing jobs. Think about it. At 1997 prices, charges for the use of telephone and satellite links are historically low. Companies place their screen-based operators wherever they are cheapest to hire. The cost of calls continues to fall. It will surely plunge headlong when the 2001 network is in place. Talk of a global economy may be premature in some sectors, but in the information, entertainment and financial services industries no other appellation is accurate. Corporations that operate in many countries are able to pay taxes where they are lowest. Always cognisant of the costs of being found out, these giants can

choose where to do what. They drift naturally to where the laws are most amenable. This journey away from the rule of law will be accelerated by the new network. The chances are that during the coming decade the boards of the planet's 100 largest companies will become more powerful, more relevant to individual lives, than the governments of the 100 largest countries. I am not one of those who snarl and spit whenever the words "multinational corporation" are uttered. The workings of any market can be benevolent, given a modicum of decent regulation. But homo sapiens is weak, easily corruptible. Put one of us in charge of a tobacco company and we will sell most where the anti-smoking movement is least forceful. Sales are what drives business. We will

hawk artificial milk to third-world mothers, if we can. We are witnessing the start of a greater triumph for the free market than the proponents of capitalism can have dreamed of. The relevance of government is becoming more difficult to define. Nation-states still exist, but their power is circumscribed, diminishing. Heaven knows what can be done about this. When someone tells you that what we need is world government you know you are in the presence of a nutter. Nothing so outlandish will be heard here. But simple common sense tells us that laissez-faire is not good enough. Better to foster tough international laws agreed between governments. That might protect individuals. If a way could be found to control our new corporate masters.

Lunch with the FT

The descent from the top shelf

Lucy Kellaway meets Ralph Gold, the soft-porn king who says he still respects women

Im on the same page as the Queen! Ralph Gold could hardly contain himself. He had just seen the Sunday Times' latest ranking of Britain's richest people and found that he and his brother David had been valued at £230m, just £20m less than the Queen herself. But that was only part of his exhilaration that morning when I telephoned him to fix lunch. He was holding the first published copy of his autobiography - a volume with a pair of female legs on the cover and a raggedy-edges tale inside of how two East End boys made a fortune in girls' magazines.

The two now own a soft-porn publishing business, the Ann Summers chain of sex shops, and a half share in David Sullivan's high-nipple-count Sport Newspapers. They also own half of Birmingham City Football Club (again with Sullivan) and a charter airline.

Ralph Gold was longing to have lunch with the FT. He had written in proposing the interview himself, and had suggested that I come to visit him at his offices.

But as I get off the train at Whyteleafe in Surrey and make my way past the dingy hairdresser and the scrap metal yard, I begin to have misgivings. In the reception of Gold Star International there are out-of-date copies of girls' magazines and a sign warning visitors that marital aids cannot be purchased there.

Up several flights of shabby stairs, Gold is standing beaming. A tiny, slight figure, he shakes my hand warmly and asks my name. He calls out to his brother, "I can't talk to you now - a young lady has come to see me." They make a few lascivious noises, but seem a bit half-hearted.

Until now the Gold brothers have avoided the media. They have spent their lives trying to stay on the right side of the Obscene Publications Act, and realised early on that there was little point in drawing atten-

tion to themselves. They read the kind of publicity their friend Sullivan gets and consider themselves lucky to be out of it.

"The media calls him the Sultan of Slezee," Gold says indignantly, pouring me a cup of coffee. "But he is not a pornographer. He is in the same business as us. We are like a publican selling half a pint of bitter, and from the way they carry on, you would think we were selling heroin."

Gold has decided to blow his privacy to smithereens with a book describing, in detail, not only the ups and downs of his business but of his own sex life, too.

"The reason I am coming out of the closet is that the book puts it all over for me."

'After 100 years of screwing up, the government's attitude to sex is about right now'

my side," he explains as he leads me to the car park. He checks his key ring and his blue Dalmatian unlocks itself. "I hope you're not a feminist," he says. I say nothing, and he doesn't press the matter.

In the car he warns that Villa Sonia, the hotel to which he is taking me, is likely to be empty. "They are such lovely people, but they don't get any business." Indeed, when we get there the only person in the restaurant is Sonia herself. Gold greets her warmly.

"This is Judy," he says, introducing me. "I bring a different lady here each time I come." They both laugh.

We walk across the garish patterned carpet to the far corner of the large, deserted dining room. "What I will say to you, Judy," he tells

me in a hoarse whisper as we settle ourselves down with a bottle of water, "is that right now I have reached the pinnacle. I've got £230m. I've got a wonderful family. I have a wonderful relationship with my girlfriend Diana."

The chef approaches holding up a melon. Gold says that we will have that, and then asks if I like Dover Sole. I say yes, and that settles it.

"You know, for the book I wrote 1,027 pages," he says. "It was more than Churchill's autobiography!" He offers to show me the full version in his office later, but I insist that after reading the 430-page version I have got the gist.

Over the melon he tells me that girls' magazines have never had it so good. "After 100 years of screwing up, the government has got its attitude about right to sex."

He claims that every member of the Establishment has always loved his magazines; the problem has been their fear of what their wives might think. "In the past, if John Major liked our girls he would perhaps have been reluctant to let Norma know that, and to prove that he wasn't interested himself he would stamp down on them. But now people realise their wives don't mind. The wives might have a look themselves - they are not that bothered."

I try to imagine Norma flipping through her husband's magazines, but do not manage it.

The business, he explains, is like chocolate, and the best way of making sure that people do not over-indulge is to let them have as much as they like. "If you went to work in a chocolate factory, you might have the odd choc, but you wouldn't be that bothered."

But that is no argument for opening the gates to hard porn, which he sees as a different market. "If we were like Holland, totally free, I would still have my own personal guidelines. I wouldn't



Ralph Gold: 'Now, people realise their wives don't mind about our girls. The wives might have a look themselves'

have anything depicting pain, or anything that is linked with animals. Anything involving children is a disgrace."

I say that chocolate factory or no, one argument against girls' magazines is that they encourage men to think of women as sex objects.

He looks incredulous, as if he has never heard this hackneyed argument before. "I look at these mags. I look at how big their tits are. But I still respect women as I did. These are printed images, but a human being has feelings."

Two oval plates are brought with a large filleted sole on each. "Is that nice, or is that nice?" he exclaims. "To my surprise, it is nice. Lovely, in fact."

As we eat, or rather as I eat, he tells me about how his magazines and products have helped his own sex life.

"I was so anxious about sex," he tells me. "As a 13-

year-old boy I couldn't get hold of any sexy magazines. Being a successful amateur boxer did not help, as in those days sex and boxing were believed to be incompatible."

"When I was married to Joany, my first wife, we had a caravan, we'd go there for the weekend. I called it Blue

Heaven. Everything was idyllic, except we'd go to bed and it'd be over in two or three minutes. I didn't have any skills. I hadn't read any books - you couldn't get them."

Sonia hovers by the table, apparently unmoved at the turn our conversation had taken. "I'll have a cappuccino," he says.

He goes on to tell me about an unfortunate experience he had with an Ann Summers sex aid called a Romeo. Far from concluding that his goods are faulty, he insists they are worth every penny if they succeed in getting couples to talk about their failures.

Suddenly he breaks off and says: "If you worked for a woman's magazine, we could have a good discussion." But this being the Financial Times, we start to talk instead about his developed - over-developed - skills as a negotiator.

"There was a sad situation where a little pottery company was making mugs with a penis in them that stuck up when your cup was half empty," he says. I glance down at my cup which looks reassuringly normal.

"It was a very successful novelty line, but I negotiated so hard that eventually the company went out of business."

As we continue talking about money it becomes clear that Gold is more concerned about making and saving money than speeding it.

"I don't like being extravagant. I couldn't buy a designer label. I buy Marks and Spencer's." He opens his navy blazer and shows me the label inside.

"My home is modestly decorated. I wouldn't want to knock David Sullivan's home, but I wouldn't have gold taps. I mean, not solid gold. I wouldn't even think of it."

Suddenly he starts to talk about his brother, about how he has become the main force behind the business and how wonderful he was when Ralph Gold's beloved second wife was dying of cancer. To my alarm I see he has started to cry.

"Anyway," he says, clearing his throat. "Let's have some water. Sorry about that. It was such a sad time. I get so emotional."

Tears dried and drinks drunk, we get the bill which Gold insists on paying. As he drives me back to Whyteleafe station he asks if I would like to come to a black-tie party he is giving near Tonbridge to celebrate the book.

"I am going to make it as up-market as I can. You'll meet all my friends. You must come. You can bring your husband."

Good on Gold. Robson Books, £16.95.

Truth of the Matter

Give with grace, receive with dignity

Lead a moral and caring life with the help of swadhyaya. Pandurang Shastri Athavale explains

Many people want to know how I came upon the idea of swadhyaya, today practised by 20m Indian farmers and fishermen in 100,000 villages.

Swadhyaya is based on the recognition that God is the source of all life and dwells in every human being. It is a life-transforming world view which encourages self-esteem, the dignity of all, and the discharge of gratitude to God through work-oriented devotion.

I was deeply disturbed by the human degradation I saw around me, by narrow self-interest which generated inequalities, injustice and hatred. Like many others, I could see the causes but found no satisfactory answers in the various "isms", models and institutional arrangements that claimed to have answers. The cures only aggravated the disease.

The two dominant ideas, liberal-

al-capitalist-welfarism and socialism seemed only to reinforce the exploitative structures that widen the gulf between the "haves" and the "have-nots" within and between nations. Human dignity suffers whether the intervention comes from private charities or government subsidies.

While the capitalist model brings concentration of wealth, worsening class conflict and gross commercialisation of human relations, the socialist model suffocates individual creativity and initiative. Neither ensures the popular participation needed to overcome

misguided development. For me the turning point came when I saw how the God-centred world view was being devalued by the man-centred one. Quite early in my work, I concluded that much contemporary misery was due to the absence of a spiritual dimension to our lives. What was needed was to instil the idea of God as a constant companion. Only that understanding could give us the sense of being one with the divine and worthy of self-respect. I exist because God exists; I am related to everything in the universe because my creator is the same. The idea of one divine family,

of being children of the same God, will remain hollow if it is not put into practice. What comes in its way is the gulf between the "haves" and the "have-nots" and the multiple disabilities from which the "have-nots" suffer.

I always felt that although the rich and the poor share an equally charitable disposition, the poor feel helpless and lacking in confidence.

Our work-oriented worship has to be based on reason, advance our spiritual growth, express gratitude to God, and become a powerful social force.

To this end we devote a day or two of our time and skill in collective projects as an offering to God. These projects range from farming and fishing to water conservation and sanitation. The needy benefit without having to feel small, as it is their devotional offering blessed by the Lord.

We call it "impersonal wealth". It is vastly different from enterprises such as co-operatives, communes and the self-help initiatives of voluntary groups because its motivational force is so different.

Impersonal wealth belongs to God and its recipient takes it as

divine benediction. He or she pays no interest and signs no deeds.

Today, the production and distribution of "impersonal wealth" runs into millions of rupees and is totally self-generated. It is free from the feelings of superiority or inferiority which occur with charity and from the dependency syndrome of state welfare schemes. The divine and graceful nature of such giving and receiving under swadhyaya auspices is totally different from the dry exchanges of the marketplace, which lack grace, warmth and emotional bonds.

Swadhyaya helps men and

women to lead a moral life, a caring life. It allows them to relate to other fellow beings on terms of equality and harmony. It gives them the confidence to create self-directed, self-reliant communities.

I could go on, but what I want to stress is that although swadhyaya might seem peculiar to India, its essence is global and universal. Its essence cannot be limited by divisions of culture, language, race or religion.

I have tried to show how it can be done in a plural and multicultural society.

Swadhyaya is a vision of human possibility, but the motivation has to come from within people who have the urge to change and to join with others, wherever they may be.

On Tuesday, Pandurang Shastri Athavale, who was born in Bombay in 1920, will receive the £750,000 Templeton Prize for Progress in Religion.

PERSPECTIVES

Out of lobster, steaks and time

Restaurateurs seem to have been first to evacuate Zaire's capital, finds Michela Wrong

It seemed like a good idea at the time. "Why don't you write a restaurant guide to Kinshasa?" my editor had suggested. "It would be a nice change after all the gloom and doom coming from Zaire."

So, with the rebels advancing on the capital, I determined to put the delights of Kin-la-Belle to the test. A few gourmet meals at the Financial Times' expense would compensate for the not entirely enjoyable experience of sitting in a jittery Mobutu to choose whether to emulate the Shah of Iran or Adolf Hitler in his style of political exit.

Thanks to the spoilt Zairean elite's disinclination to miss out on the finest Europe has to offer, Kinshasa is undoubtedly one of the best eating spots in Africa. But fashions come and go, of course, and these days security is a factor in choosing your dining spot.

Perched on a hill overlooking the Zaire river, Le Refuge used to be a favourite with the "mouvanciers" - the presidential supporters whose villas are clustered in the Binza district. But now that everyone is ready for

an emergency bost trip across the river to Congo, the hotels and restaurants in the city centre are definitely back in vogue.

At the top end of the scale is the Caf Conc - which specialises in fresh lobster - closely followed by L'Orangerie, La Ciboulette and the Golf Club, all offering impeccable French cuisine and wines at obscenely high prices.

At a more affordable level, the Hotel Memling twice a week serves up a choice of moules marinières, served Belgian style with chips and mayonnaise, or fresh oysters. Down in by Sabena and kept alive in bubbling water tanks in the lobby.

If you don't mind being accosted by the Amazonian whores of Kinshasa, the Savannah has the most tender steaks in town and Domino's, on the main drag, specialises in "cossa-cossa" - prawns from the port of Matadi - served in a robust garlic sauce.

I opted for the Jardin des Saveurs, opened a few years ago by a Belgian who fled Rwanda's genocide. My guest was a businessman who had recently been given strict orders by headquarters to go nowhere without two

armed bodyguards from Europe.

The restaurant was just round the corner from the hotel, so the bodyguards were told to waive their usual reconnaissance trip. But as we drove down the dark, winding lane in the businessman's rather impressive armoured car, it became clear something was wrong. There were no lights visible and so we kept driving. Finally, we entered a compound dominated by an

Asked if this was the restaurant, the soldier's face went blank

elegant white villa. An armed soldier approached - nothing strange about that as most Zairean restaurants hire soldiers as guards. What was worrying, however, was that he was telling us aggressively to reverse, switch off the engine and get out of the car. A harrier we hadn't noticed on arrival had sud-

denly closed behind us.

Asked politely whether this was the restaurant, his face went blank. He clearly had no idea what we were talking about. He wanted us out of the car, and, by the tone of his voice, preferably spreadeagled on the ground with our hands behind our necks. But the bodyguards were telling us to keep the bullet-proof doors locked and stay inside.

As negotiations opened and the tension ratcheted its way up the scale, the truth emerged. The Jardin des Saveurs had closed a few weeks ago. Fleeing yet another African war, the owner had relocated in Brazzaville, where he was no doubt making a killing off the American, Belgian and French troops stationed there in preparation for an evacuation.

We had overshot the deserted building and driven straight into the supposedly well-defended courtyard of one of President Mobutu's many bouses. The barrier was open because the guards were expecting "the children" - members of the president's extended family - back at any moment.

Our story was just too bizarre to be true, you could

almost hear the soldier thinking. He had committed a *faux pas* by allowing us in. He was not about to make another mistake by allowing us out.

The bodyguards were getting itchy. They were regretting not having carried out a preliminary check. Reinforcements could join this solo soldier at any moment and then the situation would be out of control. "OK, now that's enough talking, shut the door," said one. He had decided to blast through the barricade.

It was then that our businessman showed that decades of international wheeling and dealing had not been in vain. Leaning out of the car and fixing the soldier with an expression of child-like sincerity, he apologised abjectly for our gross, insensitive behaviour, begging him to show extraordinary magnanimity and allow us to leave.

It was one of the most impressive bouts of groveling I had ever seen. And it worked. With his sense of self-worth boosted by having humiliated five white foreigners, the soldier ordered the barrier lifted. As we drove through, light-headed with relief, we passed a



Kinshasa: mouthwatering bargains - but a night out is no fun

Picture: Reuters

four-wheel drive vehicle full of sleek Zaireans - Mobutu's children perhaps - on its way in. So much for a fun night out in Kinshasa.

Our little contretemps was a sign of the times. Since our sortie, the atmosphere has deteriorated. Defeated troops are streaming into the city, cars are being hijacked in the centre and it is no longer

safe to venture outdoors after sunset.

In the Hotel Intercontinental's parade, the designer shops are holding "everything must go" sales, trying to clear stocks before the looting that traditionally precedes the rebels' arrival. The bargains are mouthwatering. But having been told by their embassies to pre-

pare just one bag for evacuation, expatriates cannot permit themselves a shopping spree.

Kinshasa's restaurants and lively nightclubs are empty. In any case, I am saving my cash for the evacuation. But if I end up in Brazzaville, the Jardin des Saveurs will certainly be my first port of call.

Rebirth for the giants of the sky

Sixty years after the Hindenburg disaster, fascination with airship travel lives on. Sebastian O'Meara reports on plans for new zeppelins

When I felt the first shock. Then we started falling, and just before we hit the ground I was buried out sideways. I must have passed out for a few seconds, because the next thing I remember is running away from the burning ship as fast as I could. It was all over in about 30 seconds.

On May 6 1937, Eugen Bentele, a young mechanic on the Hindenburg was one of the lucky ones. Thirteen crewmen died, as well as 22 passengers. Pictures of the disaster were flashed around the world and the era of airship travel was over.

But the experience was not enough to put Bentele off airships. "Travel by zeppelin was adventure. We were over the Atlantic once, a few hundred metres up, when the order came through to slow the engines. I could see something happening in the water up ahead, and as the captain brought the ship down I could see the water was all churned up and full of blood. And there was a whale, getting attacked by lots of fish about a quarter the size. It was only after that I found out they were killer whales."

Bentele lives on a quiet side street in Friedrichshafen, on the shores of Lake Constance in southern Germany. On a clear day you can see the mountains behind the lake, and tourists flock here in the summer. But it is also the birthplace of the zeppelin. Inside the new Zeppelin museum, visitors watch films of cheering

crowds welcoming the Graf Zeppelin on its epic round-the-world flight of 1929 and clamber around a full-scale mock-up of part of the Hindenburg. "It cost us almost as much to build as the whole ship did in the 1930s but it was worth it," says Wolfgang Meighorner, the museum's director. Since it opened last summer, 300,000 people have visited the museum.

The pipe-smoking Dr Meighorner is a zeppelin intellectual, a man who wrote his thesis about the zeppelin, beavering away in the extensive archives he now directs. "I think it has a lot to do with size," he tells

'In a time of frantic technical progress, we're rediscovering how to take things slowly'

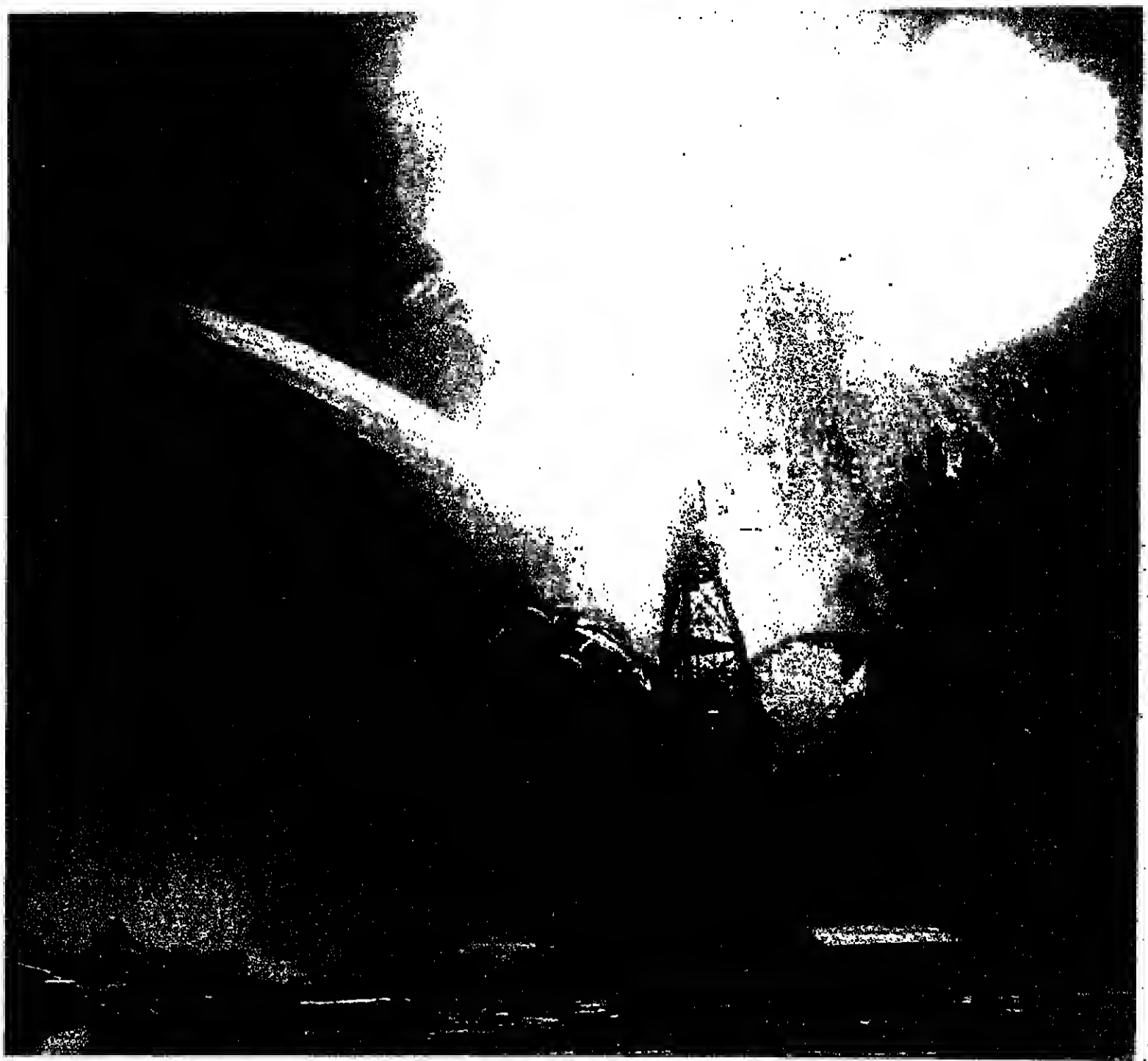
me, when I ask him about the zeppelin's enduring hold on the public imagination. "It must have been quite a sight, this massive machine drifting along, blocking out the sun as it moved across the sky. And it was an obvious national icon for a resurgent Germany."

That is certainly what the Nazis thought, and generations of Hollywood movie-makers have used the zeppelin's enormity and latent sense of menace as a symbol of Nazi aggression. The fiery

end of the swastika-daubed Hindenburg gave zeppelins an enduring image problem, but Meighorner is convinced that fascination with the giants of the sky again has the upper hand. "I think that in a time of frantic technical progress, we're rediscovering the value of taking things slowly. That's why I think that airship travel matches the spirit of the age."

Words like that are music to the ears of Wolfgang von Zeppelin. A few miles from the museum, he is supervising the birth of a new zeppelin - filled with inert helium, not the highly inflammable hydrogen that killed the Hindenburg. By family standards it is a little slip of a thing, less than a third the length of the Hindenburg and closer to the dimensions of a puny Boeing 747 - and it can only seat 12. "It's just a start," says von Zeppelin. "Our aim is to build bigger ships that will give passengers more space to move around and will be more economical to run. But before making that kind of investment, we have to show that the market exists."

And he is fervently convinced it does. "I would never spend my best years on a nostalgic project - nor would anyone invest DM40m just for fun." The new zeppelin was being prepared for its first flight at the end of April. In the hope that Friedrichshafen's summer visitors will line up for day trips over the foothills of the Alps. If the market is there, von Zeppelin will not have it to himself. Richard Branson's interest in balloons may be better publicised but Virgin also owns half of The Lightship Group, the world's lead-



From adventure to nightmare in 1937 for the German zeppelin Hindenburg. Today's airships are filled with inert helium rather than highly inflammable hydrogen

ing operator of advertising blimps. It is currently evaluating a 10-seater blimp for tourist use. Managing director Mike Kendrick reckons the numbers add up.

Balloon operators make good money, but we've costed it out, and we know we can operate our airship at half the prices they charge. We can fly all day, and if we see something interesting we can fly straight towards it at 40 knots, rather than hoping

that the wind will blow us there." For Kendrick too, 10 seats are only a start. "We have the technology now to build an airship that will carry up to 50 people in great comfort, with cabins and an outside observation platform. And we can fly them as far as we want." In Kendrick's plans, that means from London to Sydney in time for the 2000 Olympics, then back again in the first round-the-world trip by airship for 70 years.

For true nostalgics, that is where the real fun starts, and with the millennium approaching, there are plenty of grandiose projects. In the Netherlands, Scotsman Ian Alexander is planning to give the Dutch an aerial equivalent of the royal yacht Britannia. In Germany, they are designing giant cargo airships that can carry 100 tonnes turbines from Wleahaden to Vienna. And now South Africa has joined the fray with

plans for a 130-metre airship to be named the Nelson.

Prices for these projects are from \$20m upwards and with financing yet to be nailed down, their airships may have trouble lifting off from the pages of the Internet, a mine of information for enthusiasts. "There are more helium-heads than businessmen in this industry," says Kendrick. "And you can't afford to fall in love with the idea of airships - I can show you plenty of

people who have lost huge sums of money doing that."

Back in Friedrichshafen, Bentele is still in love. "People have envied me all my life for the experiences I had on the zeppelins. And that's why I know there will always be people happy to shell out for the trip of a lifetime. And if it costs more than that, it won't be a problem - you'd never believe how many rich people there are in this world."

From European union - to empire

The Athens-dominated Delian League offers piquant parallels to today's EU, says Christian Tyler

Once there was a European union. It was a voluntary union, put together by a number of leading states for their own protection after a desperate and bloody war.

To begin with, all went well. The two foremost powers buried their differences. Each member state took an oath of loyalty and enjoyed the same voting rights. The central bank was situated in neutral territory.

But soon the union proved not quite such a voluntary affair. So much so that one member, a large island state, went into revolt, complaining that her economic interests were being interfered with. After three years she was forced to surrender and made to pay stiff penalties.

Things got worse. One of the founding states, the strongest of the confederation, started deciding the budget, imposing a single currency and insisting on certain political and social norms. Finally, she moved the central bank to her own capital

"for safety". What started as an alliance had become an empire. These events, the Eurosceptics' nightmare, occurred 2,500 years ago. The European union in question was called the Delian League. Comprising most of the cities of what we would now call the Aegean Rim, it was set up in 478BC after the Greeks had repulsed the Persians.

Its leading lights were Sparta and Athens, but it was Athens which, because of its control of the sea through a fast fleet of triremes, was able to grab the political initiative and reduce the alliance to subjection. The rebel island state with the sovereignty grievance was Thasos, which lies just off the coast of modern Thrace.

One obvious difference between the Delian League and today's European Union consists

in the reason for its creation. The league was a buttress against an external enemy. The EU was an attempt to put an end, once and for all, to internal conflict: specifically, Franco-German wars. (Some leading German social democrats still see it as a way of saving an expansionist Germany from itself.)

So the league was more like NATO: it was Ato, the "Aegean Treaty Organisation", as one academic wag put it. Yet there are piquant parallels. Once the Persian threat was removed, the Athenian Pericles invited all the Greeks to a congress in his city to discuss a common architectural policy (CAP) - how to rebuild the temples destroyed in the war. Sparta, its nose out of joint, organised a mass abstention, so allowing Athens to go ahead and

establish a hegemony. So about this time, 450BC, Athens decreed that all local mints must be closed. The only silver coinage allowed to circulate was the Attic.

The decree read: "Everyone is authorised to hand in the foreign currency in his possession and exchange it on the same terms whenever he wishes and the city will give him Attic currency in exchange. Each shall bring his own currency to Athens and deposit it at the mint." States were permitted to go on using the amber-coloured electrum coinage, an alloy of gold and silver.

"It was a political move, not just an economic one," said Paul Cartledge, Reader in Ancient History at Cambridge, this week.

It was designed to impress the allies how dependent they had become on Athens. The penalty for opposition was death.

Weights and measures were likewise harmonised. Athens also decreed that every member - there were about 200 at the peak - must be a democracy, and local laws changed accordingly. It did not impose its own model, however. Criminal offences carrying the death penalty had to be heard in Athens, and the cult of the goddess Athena was enforced on land confiscated for the purpose.

To begin with, the central bank was kept in the temple of Apollo on the sacred island of Delos. The lowest budgetary contribution was one trireme. Most member states, either out of poverty or laziness, fell into the trap of paying money instead and letting

the Athenians build the triremes themselves. One sixtieth of the cash was devoted to the goddess; some of the rest was used to repair the Athenian temples.

In 454BC, when the Persians seemed to be threatening again, the treasury was moved to Athens. Pericles declared he felt no obligation to account to the "allies" for the budget, provided the money was spent on keeping the barbarians (the Persians) at bay.

Referring to the member states, he said: "They give us not a single horse, not a ship, not a hoplite. They supply only money. That belongs not to the givers but to the receivers, as long as they give in return that for which they collect it. It is fair to use the money to beautify the city." Protests were firmly

suppressed. As early as 478BC Carystus in Euboea was forced to join the league. Naxos was bullied into submission two years later. Thasos was brought to heel in 463, as were Miletus and Erythrae in later uprisings.

Conflict with Sparta, the rival regional superpower, was inevitable, wrote the historian J.C. Stobart in *The Glory That Was Greece*.

Sparta must have regretted not taking a more active part in the league's foreign policy when, 17 years after its formation, Athens used the budget to finance campaigns against Spartan allies on the mainland. The Peloponnesian war between the rivals, described by Thucydides, finally broke out in 431.

Athens was defeated in 405 and the Delian League was formally wound up a year later. Eventually, of course, an empire more formidable than either Persia - came to dominate Europe, and the known world. Its name was Macedonia.

BOOKS

All language with no heart

Thomas Pynchon's long-awaited novel lacks a vital ingredient, argues Justin Cartwright

This is an extraordinary book. It is nearly 800 pages long, it is written in, largely, 18th-century language, complete with capitalised nouns and other devices. All this to tell the story of Mason and Dixon, the surveyors sent out by the Royal Society to settle a line between Pennsylvania and Maryland in 1762, a line which would mark the northernmost boundary of slavery in America for another 100 years.

Their mission was ultimately pointless, overtaken by the Revolution. Pynchon has told their story with an almost crazy determination to recreate, through detail, the life and the language of his protagonists. To read this book is to be dunked, steeped, almost drowned in the professional lives of Dixon, the surveyor from the West and Mason, the astronomer from Gloucestershire. Not only are we given their professional preoccupations in almost nightmarish detail, but these are relayed through the medium of the Reverend Wicks Cherrycoke, many years later, in Philadelphia. Cherrycoke was attached to their mission and he recounts his adventures to his niece, Tenebrae and nephews Piny and Pitt, as well as other family and friends. In his name - Cherrycoke - we get an early hint that Pynchon has some ludo and postmodern tricks up his sleeve.

In order to achieve total immersion in the 18th century, or at least his version of it, Pynchon has studied the dealings of the Royal Society in the minutest detail, and he has clearly read every contemporary handbill, scientific paper, playbill, instrument maker's catalogue, dictionary of his-

torical slang, libretto, collection of doggerel and religious tract he could lay his hands on. He has also studied the then flourishing science of surveying, with its chains and rods and so on; the rural industries of Gloucestershire; coffee houses; English dialects; the Dutch East India Company's settlement of the Cape - and its

MASON AND DIXON
by Thomas Pynchon
Cape £15.99, 773 pages

language; the British rule of St Helena; native American history and much, much more.

Because this is the Age of Reason, as Pynchon nudgingly reminds us, he also has included any number of countervailing peculiarities and sectarian beliefs. There is a talking dog, a pair of clocks which converse; Mesmerism; a duck which stalks a French chef called Armand; and George Washington's black Jewish butler who does stand-up comedy and supplies the visitors with Indian hemp while Martha Washington brings on the mummies. Pynchon has not lost his belief in the subversive symbolism of marijuana.

So this is a quite extraordinary book. But there are two major questions which must be answered if it is to be considered a great book. Firstly, are the characters, Mason and Dixon, drawn with any distinction? In all their travails, in all their forced collaboration, in all their paranoia, in all their disappointments and minor triumphs, they hardly have a conversation which is credible or moving; instead we have a kind of unnatural vivacity. Their personal lives are sketched rather dutifully; Mason longs for his

dead wife Rebekah, Dixon is a bit of a professional George. In the course of the monumental tasks they are given, they come to see that what they are doing is ordained by political struggles within the scientific establishment, but so what? They develop a dependence and even affection but, unfortunately, we don't care.

The second question is this: is the intellectual foundation on which this great heaving, creaking, intricate structure is built, sound? The book is clearly intended as a Joycean exploration of language as well as a critique of the Age of Reason. On the question of the language, I think that Pynchon fatally undermines his own marvellous achievements, by the postmodern elements. There are numerous unfunny, dated jokes about dope; there are sitcom elements; there are deliberate anachronisms; there are knowing references to the



Eighteenth century surveyors Mason and Dixon: Pynchon tells their story with an almost crazy determination

future. Instead of introducing the intended lightness of touch, there is something of 1960s shallowness in this. Unlike Joyce's, Pynchon's jokes do not spring from the very nature of language.

As for the Enlightenment, Pynchon seems to imply without really exploring the ideas, that its most serious result was that it created a world of blind progress when the more serious charge is

that it created a dangerous historicism. After they have finished work Mason and Dixon "understand... that the Line is a conduit for Evil." Despite Pynchon's omnivorous research, he has

hardly touched on the philosophers of the age. However, it is impossible not to marvel at the extraordinary detail, the wonderful descriptions of early American life, the enthralling

depiction of scientific work, the virtuoso recreation of language, the sheer unstoppable brio. In the end, what is missing in this account of the human spirit is fully realised human beings.

Free spirit in Tory politics

John Peyton was born with a silverish spoon in his mouth, but had a hard time of it. At prep school he was no good at games and could not sing in time. Eton was better, but he still couldn't play games or sing. Yet he picked up friends. On his first day a boy said to him: "I am Palmer. You must be Peyton. Come with me and have a hiscut - my family makes them."

Trinity College, Oxford was better still, but the second world war interrupted after Peyton had been there only two years. He joined the forces, then misfortune struck again. He was taken prisoner almost at once and, although he tried to escape, he was held by the Germans for five years. The consolation was that in the later period he was allowed to read for his law finals.

WITHOUT BENEFIT OF LAUNDRY
by John Peyton
Cape £15.99, 773 pages

Peyton had other disappointments. He abandoned the law for politics, was elected as MP for Yeovil in 1951, and looked ready-made for a long and distinguished career on the Conservative front bench, whether in government or opposition.

Prime minister Harold Macmillan made him parliamentary secretary at the ministry of power in 1962, and seemed to regard him as a friend. Subsequent Tory leaders, however, took a less benign view. In 1966, when the Tories were in opposition, Edward Heath sent a message saying that Peyton would be no longer required in the party's front row.

In 1970 Heath became prime minister, changed his mind about Peyton and made him minister of transport. According to these memoirs, Michael Heseltine - as Peyton's deputy - thought that there must have been an administrative muddle and the appointments muddle had been made the wrong way round.

Peyton survived at transport, though in the Heath days departments were being continually reorganised and at one stage Peyton,

had come to appreciate music and became a friend of the composer Sir William Walton. He arranged a 70th birthday party for him, invited Heath, who asked that the party be moved to No 10 Downing Street. Nothing wrong with that, except that the next Tory Party leader, Margaret Thatcher, assumed that Peyton was too close to Heath. He was the only shadow minister that she did not include in her administration when the Tories returned to office in 1979.

In fact, Peyton was not particularly close to - and certainly not beholden to - any politician. He was an independent, eclectically picking up whatever seemed of interest to him, and it is in this spirit that his memoirs are written. Peyton is too modest to say so, but Nigel Lawson wrote in his own memoirs that Thatcher's decision to exclude Peyton from the cabinet was a serious misjudgment. When he stood down from the Commons in 1983 the Yeovil seat passed to a then little-known Liberal, Paddy Ashdown. And when Peyton moved to the Lords his sponsors were an odd couple: Lord Home and the scientist, Lord Zuckerman. Peyton was for seven years the treasurer of the London Zoo.

There is a wonderful line where he says that British government can be reduced to three characters: Jones, Buggins and the Duke of York. "The first is the man of the moment, the one in fashion, with whom you must keep up; the second is the one who, for no better reason than it seems fair, must be given a turn; the third, and perhaps the most influential, is the one who marches us first up the hill, then down again - an expert in U-turns."

The title, *Without Benefit of Laundry*, is taken from Arthur Quiller-Couch's preface to the second edition of *The Oxford Book of English Verse*. The striking picture of Lord Peyton in a black beret on the cover was taken by Lord Howe, the former foreign secretary. There aren't many Tories like those any more.

Malcolm



SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.

And the real refugee could just as easily be the clean-cut fellow on his left. You see, refugees are just like you and me.

Except for one thing.

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing.

And nothing is all they'll ever have unless we all extend a helping hand.

We know you can't give them back the things that others have taken away.

We're not even asking for money (though every cent certainly helps).

But we are asking that you keep an open mind. And a smile of welcome.

It may not seem much. But to a refugee it can mean everything.

UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.

UNHCR Public Information
P.O. Box 2500
1211 Geneva 2, Switzerland



UNHCR

United Nations High Commissioner for Refugees

BOOKS

Portrait of the artist and goodbye to all that

Craig Raine on the Baroque excesses of Edmund White's confessional "auto fiction"

Edmund White can't write. In the normal way, this chiming, rhythmically awkward, ugly little sentence might be enough. Edmund White's prose, though, is a special case. It is bad by choice. It is considered. *The Farewell Symphony* is not a novel, but what White calls "auto-fiction", dealing with two decades of gay bedonism and the subsequent scourge of AIDS. We know from White's Oxford Amnesty lecture of 1995 that, for him, auto-fiction is "a convergence of two very different literary traditions, realism and the confession."

In practice, though, *The Farewell Symphony* reads as thinly disguised autobiography: like White, the narrator is HIV positive, lives in Paris, owns a basset hound and so on. It is a work of considerable self-consciousness, not least with regard to its own prose style: White knows he is given to "over-elaborated, artifice conceits"; Christopher Isherwood, he remembers, advised him to write "more simply and directly"; critics, he complains, praise prose which plays safe, prose there is nothing "against". He admits to the deliberate cultivation of a Baroque style. In an earlier work, *A Boy's Own Story* (1983), this produced phrases like "the torso flowering out of the humble calyx of his jeans." In *The Farewell Symphony*, it produces sentences like this: "we were dismissed with a shrug of a pretty bare shoulder rising out of a calyx of ivory silk." We can, then, identify a certain consistency in the prose.

T.S. Eliot divided good prose into two kinds - writers like Defoe who favoured an impersonal idiom based on the genius of the language, and those like Henry James who invent their own inimitable personal idiom. I want to divide bad prose into two kinds. The first kind of badness goes against the genius of the language in a flowlessly inept way. For example, this is the worst sentence ever committed to paper by a reputable writer in full possession of his faculties: "I thought - if it is possible to think retrospectively simultaneously with thinking actually - I might have thought that I would have preferred you as you had been before." This isn't so much a sentence as a pile-up on the page. The author's tactic - the structural "arrangement" of the words - is in collision with itself. Though the sentence seems hideously memorable, the syntactic trauma is so great that it is in fact impossible to memorise.

White is sometimes bad in this way, too. He is capable of beginning consecutive sentences with "whereas" (twice), of using a cliché like "a deafening silence" or "suddenly the intervening years melted away", or a guessed-up cliché like being "left arctically cold" by something intended to impress. There are some dire tautologies: "tireless assiduity"; "like a somnambulist I sleepwalked". Is "an upholstered couch with sprung springs" an example of further redundancy, or merely a broken couch, where "sprung" means "unsprung"? There are some startling repetitions: "our

THE FAREWELL SYMPHONY by Edmund White Chatto & Windus £16.99, 504 pages

hurling in snow-bound New York "demented red beneath an old man's heavy white eyebrow". We are looking at a symbol. Transgress. Don't transgress.

The over-dressed prose here, its chosen purple, is White's speciality and rather different from the routine incompetence so far cited, and it brings me to the second kind of bad prose, not the lavish, but the slavish. Eliot again anticipates: "only a weak-minded or characterless writer would condescend to imitate, or even be influenced by, anything so little his own as the personal idiom of another writer."

White has, I think, confused the extension of a prose tradition in gay writing with copying a characteristic manner. The writer I have in mind is also the writer that Edmund White has too much in mind - Proust. The second kind of bad writing is work in regress, the gimcrack copy of the unique manner, pure reproduction, the unreal thing.

Proust is a constant reference point in *The Farewell Symphony*, as well he might be for the anatomy of a world where sexual partners come so thick and fast that they are frequently forgotten. White attempts to bring a Proustian quality of recall to a world of often deliberate anonymity. One character is prepared to pay a small fortune to satisfy his obsession with one young man - "a hundred thousand dollars just to sleep beside his naked body" - until the narrator tells him that he has already had the object of his desire via a bustling agency, and has simply forgotten. White estimates that between 1982 and 1983 he must have "foiled around" with 3,120 men. Of this cast of thousands, many are memorable only for their genitalia or their sexual preferences. Inevitably, the crucial moment of any encounter in this world is liable to be the twin of another crucial moment elsewhere in the novel. "He exploded with



anxious alacrity and I swallowed it all down like a cat licking its bowl clean." The exploded in my hand after a single thrust. Only 10 pages separate these quotations.

In Hayden's *Farewell Symphony*, the players leave the platform one by one until only a violinist is left - a perfect metaphor for AIDS and White's own position. His novel is an attempt to reconstitute the orchestra - not only its principal players, the soloists with whom he fell in love, but also members of the chorus, bit players in the string section. Unsurprisingly, the novel succeeds best with White's family - his mother, his sister, his nephew and his nephew's girl friend, Ana, who, while they too are sexual beings, are less exclusively so than Edmund White and his anonymous, intimate circles. Not that the homosexual material doesn't have real anthropological value. White's candour is exemplary even if his experience is probably not representative. My gay friends tell me that White was on the dangerous edge of things.

Here you can learn what a "top" is, what a "bottom" is, and that the gay world has an imbalance between the two types. "Peaceful, reciprocal love-making" is known as "vanilla sex". You can discover what the initials CBT, TT and VA stand for, but not an increasingly common cluster in gay personal

here are cock and balls torture, tit torture, verbal abuse and great sense of humour. For this last time, White sees himself not as the historian but rather an archaeologist of gossip. Proust might have said the same.

Edmund White is less well advised though, to emulate Proust's plush metaphorical idiom - an act less of emulation than hopeless, helpless infatuation. Five hundred pages of trying to yield only a scintilla of success - a man's aureole "elliptical as Saturn" because he is stretching. Otherwise, the writing is insufferably periphrastic ("skin that looked as though he'd swallowed a light bulb" signifies a shining complexion, not a sickening tumour) or metaphorically over-extended until accuracy declines into descriptive pedantry: physical description is particularly prone to this over-elaboration, as in "his biceps looked like veined gooseberries [pecked in snow]".

It is a pity Edmund White ignored Isherwood's advice. His plain style scores at least one notable success: "a thick-thighed Diana drew an arrow from a quiver on her shoulder. The tip of her cement bow had broken off and the exposed metal armature dripped rust stains down her gathered bunting skirt." This really works -

that from the onset of his career he fought to contain an ideological animosity towards the Jews. The genocidal impulse was never absent, but merely checked. Like Daniel Goldhagen, Friedlander argues that the species of anti-semitism which Hitler shared with his closest followers was unique to Germany, where the legacy of Christianity mingled with a romanticised ethnic nationalism that was sharpened by eugenics. He traces this singular concoction to Wagner and his circle but his explanation wobbles when he links secularised messianism, redeeming the nation from perdition, the pseudo science justifying the

exclusion of diseased portions from the body politic. The mixture of metaphors tells its own story. Hitler and his acolytes wrapped their racial-biological politics in the rhetoric of redemption. For, as Friedlander shows, the mass of Germans never quite swallowed Nazi anti-semitism. Instead, old prejudices converged with the radical, ultimately lethal anti-semitism of the regime. While historians like Goldhagen erroneously complete the two, Friedlander understands that common-or-garden hatreds sufficed to enable "ordinary Germans" and their accomplices across Europe to implement genocide. You didn't need to be a convinced Nazi to commit mass murder; and for this reason the depredations of National Socialism remain relevant, in Rwanda as much as the Rhur.

Friedlander is naturally ironic. He is most excoriating when exposing the folly of Nazi racial policy. The story of Karl Berthold punctuates the book as he strives

A Wagnerian view of Nazism

David Cesarani admires a lucid look at the unsettling dissonance between history and memory

In 1978 Saul Friedlander published a striking memoir of his youth and survival as a Jewish refugee in wartime France. *When Memory Comes* was more than a record of endurance: it was also a meditation on the delayed repercussions of the Holocaust even on those who directly experienced Nazi persecution.

Since the 1960s he has queried the archives of Hitlerism, but he has always been conscious of the "unsettling dissonance" between history and memory: the dispassionate analysis of documents and the subjectivity of participants in historical events. His new account of the Third Reich and its Jewish policies is a remarkable synthesis of the latest research enriched by reference to a breathtaking range of documents, diaries, letters and memoirs, that nevertheless remains anchored in the searing experience of individual men and women.

Early histories of the Final Solution, based on German records, tended to replicate Nazi perspectives. Survivor accounts of course presented things the other way around. Latterly research and controversy have burgeoned, leading inexorably to increased specialisation. Friedlander is the first to meld the "policies of the perpetrators, the attitudes of the surrounding society and the world of the victims". He also handles the debates which have bitterly divided historians, the Goldhagen affair being only the latest. If his narrative occasionally falls between textbook thoroughness and innovative analysis, it sets a benchmark for scope, lucidity and balance.

Friedlander places Hitler at the centre of Nazi policy-making, but situates him in a complex field of forces which necessitated pragmatism. Whereas many historians concluded from Hitler's prevarications that his approach only gradually radicalised, Friedlander believes

that from the onset of his career he fought to contain an ideological animosity towards the Jews. The genocidal impulse was never absent, but merely checked. Like Daniel Goldhagen, Friedlander argues that the species of anti-semitism which Hitler shared with his closest followers was unique to Germany, where the legacy of Christianity mingled with a romanticised ethnic nationalism that was sharpened by eugenics. He traces this singular concoction to Wagner and his circle but his explanation wobbles when he links secularised messianism, redeeming the nation from perdition, the pseudo science justifying the

exclusion of diseased portions from the body politic. The mixture of metaphors tells its own story.

Hitler and his acolytes wrapped their racial-biological politics in the rhetoric of redemption. For, as Friedlander shows, the mass of Germans never quite swallowed Nazi anti-semitism. Instead, old prejudices converged with the radical, ultimately lethal anti-semitism of the regime. While historians like Goldhagen erroneously complete the two, Friedlander understands that common-or-garden hatreds sufficed to enable "ordinary Germans" and their accomplices across Europe to implement genocide. You didn't need to be a convinced Nazi to commit mass murder; and for this reason the depredations of National Socialism remain relevant, in Rwanda as much as the Rhur.

Friedlander is naturally ironic. He is most excoriating when exposing the folly of Nazi racial policy. The story of Karl Berthold punctuates the book as he strives

to prove his "aryan" credentials while fending off each new assault by the authorities who took him (wrongly) for a Jew. There is a deeper purpose here than mockery. The energy Nazi "experts" devoted to categorising and defining (what was "intercourse" in the context of "race defilement": a kiss, masturbation, vaginal penetration?) reveals the importance they gave to "purifying" German society. Every petty regulation was vital because it symbolised the larger struggle and the "ritual degradation" of the Jews.

On the November 10 1938, stormtroopers sacked the synagogue in Witzlich in the Moselle Valley. They unravelled the Torah scrolls and shouted from the roof, "Wipe your arses with it, Jews." Nearby a Jewish woman stood outside the smashed remains of her family business and cried, "Why are you people doing this to us? What have we ever done to you?" Nothing, in reality, of course. To the core of true believers, however, Fran Marks was the representative of a demonic force conspiring to subvert humanity. To many more she belonged to the tribe of Christ-killers, and that was enough. Such well-chosen vignettes confound the reams of scholarship maintaining that Nazi policy was "rational" and contributed to the necessary "modernisation" of Germany.

Most citizens disliked such outrages, even if they thought the Jews had it coming to them. But the universities and the churches, those bastions of German humanism, were amongst the first institutions to embrace Nazism and were silent. For them, like the Jews, until too late the acceptability of discrimination obscured the threat of worse. In the case of the hapless Jews, of whom he was one, Friedlander strains to abjure hindsight. But his judgment on the luminaries of German culture, who should have known better, is unsparring.

NAZI GERMANY AND THE JEWS - VOL 1: THE YEARS OF PERSECUTION 1933-39

by Saul Friedlander Weidenfeld & Nicolson £20, 425 pages

Impotent rage against western prejudice

Bosnia was a terrible war, and the west's policy a ghastly muddle. But whether that was about European disunity, American sackness or a global conspiracy against Muslims is something we can argue about. Adam LeBor is in no doubt. He sees the west's policy on Bosnia as symptomatic of a widespread anti-Islamic prejudice - from the Balkans, where the west let Muslims go unarmoured to battle with the Serbs, to France, where the local people discriminate against their Algerian compatriots, to Germany which denies citizenship to its Turkish workers, and to America where all Muslims are tarred with the terrorist brush after every outrage.

No wonder, he concludes, that the Moslem world is bridling at the western prejudice they see all around them, and many are turning to fundamentalism to express their anger. LeBor, a war correspondent, first describes the trauma of Bosnia - ducking bullets, stress and distress - and then reaches his quick conclusion: that the west sided with the Serbs because they supported their war aims.

"They (the Serbs) must have laughed at night for years in Belgrade and Pale, capital of the self-proclaimed quasi-fascist Bosnian Serb Republic, as they danced rings around the hopeless emissaries from the self-serving international bureaucracies that are supposed to represent world security, and the barrage of futile acronyms in whose name they speak, the UN, Nato, EU, WEA, OSCE and NAA, with their useless maps and plans for new zones, republics, confederations, even minute details of flyovers and motorways."

As if the author's politics are not naïve enough, he ladies on personal revelations with the same measure of sophistication. LeBor, a Jew from North London, explains his own interest in the Arab world as a response

and Israel shown at his Jewish school. But he manages to ruin this argument (as he does so many) by trying to make a very silly joke. "Looking back, it seems almost our whole education and our developing identities as Jews were refracted through a prism of Israel and Zionism. Either way it seems to me that the logic of hating all Arabs was slightly faulty. True, the Arabs wanted to annihilate Israel, and all its Jewish inhabitants, or at least they said they did, repeatedly, their bloodthirsty logic a substitute for their inability to do so."

A HEART TURNED EAST by Adam LeBor Little, Brown £18.99, 322 pages

Impotent rage is the consistent theme of the book, and large numbers of leading Muslims in the west, from imams and theologians to shopkeepers and activists, express it. The objects of rage range from the Israeli occupation of Palestine, to Moslem sectarianism to local prejudice against Islamic customs. LeBor rails against the whole lot. "There is a rage, fuelled by hatred, against the west among many Muslims... It is the fury of the poor, living in countries that have for years seen their resources diverted to the west while their poverty increases."

The greatest impotence is felt by a small group of well-meaning liberal academics, led by the Cambridge professor Akbar Ahmed, who counsel against the extremist views of groups like Hizb-ut-Tahrir who exist and recruit freely in Britain. But Ahmed says the tide is flowing against him. "They have come from nowhere, and they go nowhere. The damage they are doing to Islam, which is a very rational balanced system, which encourages dialogue, is incalculable. People just assume that Muslims

exaggerating the prominence of these extremist groups, says Ahmed.

Some of the public statements made by extremists in this book would challenge many liberal laws. Bakri Mohammed, a member of Hizb-ut-Tahrir, for example, calls Akbar Ahmed, a "Chocolate Moslem" or Islamic Uncle Tom. Mohammed makes no bones about denying the Holocaust and I don't believe in something I did not see" - and he believes in a worldwide struggle between Islam and western democracy.

Muhammad al-Mass'ari, the Saudi exile who narrowly escaped deportation from Britain, appears a comparative moderate by comparison. He is quoted as dissenting from the death fatwa against Salman Rushdie, although he believes the author of *Satanic Verses* is still due some punishment. "My view is that if you want to insult certain personalities, there may be some punishment, not necessarily up to death, to keep public discussion away from insult and degradation."

Al-Mass'ari is revealed as having a rather unlikely sense of humour. When LeBor tells him he is Jewish, the Saudi tells him a Jewish joke. Al-Mass'ari is also the man who called Jews "a nation of cowards", and declared that "their annihilation is not difficult for Muslims". Reconciling the various aspects of al-Mass'ari's personality reveals more than anything else in this book the paradox of Moslem relations with the west in general and the Jews in particular.

Nicholas Kochin

NEW AUTHORS PUBLISH YOUR WORK ALL SUBJECTS CONSIDERED Fiction, non-fiction, Biography, Poetry, Drama, Screenplay, Manuscript to MANUSCRIPT TO MANUSCRIPT PRESS 200 WOODSTOCK

FT BOOKSHOP

To order any books reviewed on these pages from anywhere in the world please call +44 181 324 5511 or fax your credit card details to: +44 181 324 5678 Cheques (UK and Eurocheques only please) can be sent to: FT Bookshop, BVCD, 250 Western Avenue, London W3 6XZ E-mail: btk@btinternet.co.uk

Airmail Postage Rates:	Europe	Rest of World
Hardback	£1.50	£7.50
Paperback	£1.50	£3.95

هكذا من النجمل

ARTS/BOOKS

Hockney gets back to basics

The unselfconscious artist in David Hockney is re-emerging, writes William Packer

There has never been any doubting David Hockney's talent, but only the precise nature of it and the uses to which he has put it. The problem is that his early, prodigious and still continuing commercial success has seemed, over the years, not so much to defy any actual questioning of the work, as to put it entirely beyond the reach of criticism. On the one hand we have received reputation and personal celebrity, on the other, the work as it is.

His drawing retrospective at the Royal Academy some 18 months ago confirmed what had long been generally accepted, that his has always been in essence a graphic as opposed to a painterly gift, though the two qualities are not necessarily mutually exclusive. His is a shrewd if quirky eye for salient detail and particular character, and an exact if idiosyncratic hand for line and image. He has always moved easily between close, direct observation and graphic stylisation, rendering both with equal facility and wit.

But if that drawing show celebrated his strength, it also revealed a tendency to fall back on formula and pictorial bluster when his interest was not fully and, which is more to the point, self-consciously engaged. There was often, a sense, whether he was aware of it or not, that because he was who he was, anything would do. Like many good artists, he seems not-over-critical of his own work. If as much is true of the drawing, the question can only be: what of the painting?

Even so, a true artist continues to develop, and one felt with the later drawings that Hockney was already

moving some way to meet the criticism, away from his more facile habits towards something more real, intuitive and engaged. Now we have the chance to see whether in his painting of the past year or so there has been a similar shift. He has always tended to work *en serie*, and here are two successive bodies of work: the first a set of flower pieces painted last year, and then a set of portrait heads, of himself, family and friends, all done since Christmas. It is as well to take them as they were done, the one after the other.

The flowers are at once exasperating and intriguing, for again they demonstrate, time and again all on the same canvas, this familiar opposition in the work between the painterly and the graphic. To put it more seriously, it so often seems to be between the unselfconsciously absorbed and the perfunctory and bored. The set-up is more or less constant, the flowers in their pots within the clear and simple space of the table or table-top seen against a plain background. The colour is fan-like, pitched high and bright, the texture rich - and no harm in that.

But only up to a point. Hockney seems fascinated by the pots, and by the flowers' leaves, and stems, especially when seen through glass and diffracted by the water. Yet so often it seems that the flowers themselves have presented either too great a pictorial problem or too little interest, for they are treated repeatedly with a perfunctory despatch that borders on the crude.

And yet beneath them pot after pot, glass after glass, are modelled with exquisite



'Mum', March 1 1997, by David Hockney: a shrewd if quirky eye for detail and particular character

yet most economical refinement, no more than a wisp of paint and a flick of the brush, as confident as rapid, to describe the rounded form and the transparent, elusive contour. There is to it a vigorous and commitment that speak clearly of the artist's own direct enjoyment and absorption in what he is doing. It is significant that this work marks his return to the use of oil paint rather than acrylic. Oil paint doesn't dry so quickly and seal itself off, which allows for a fatter, richer, more subtle working of the paint, and a more open, less prescribed

engagement on the artist's part. What we see in this last respect is the painter in Hockney re-emerging, reasserting himself yet without abandoning anything of his true graphic wit. The only trouble is that as yet, in the flower paintings at least, that reconciliation of the two aspects of his character as a painter is not sustained throughout any one particular canvas.

In the series of faces, for the most part these two aspects are reconciled - though some are taken further than others, and one or

two are less successful. It may be the scale, which is small, with the head more or less life-size to fill the canvas, perhaps the repeated format, perhaps the medium. But what is to be recognised in these paintings overall is a confidence, not only in the setting-up and pictorial organisation that speaks an innate graphic facility, but also a modelling of the form and a handling and resolution of the image that are entirely painterly.

Hockney at his best is Hockney as he was as a student in the life-room 40 years ago, losing himself in work-

ing directly and unselfconsciously from what he sees before him, yet with all the intuitive sophistication which is by now his to command. It looks at last as though he has realised as much, has come back to it, and is getting on with it. To do so is not to disavow or reject what has been done before, but only to move on, which is the artist's only imperative.

David Hockney - Flowers, Faces and Spaces: Annely Juda Fine Art, 23 Dering Street, New Bond Street W1, until July 19.

Radio/Martin Hoyle

Outposts of empire

Life has gone on despite the British general election. The World Service came up with an excellent *Omnibus* from Canada about a teenager who killed his two best friends while driving drunk. In a case amazingly free of rancour the parents of both victims begged the court for leniency for the sake of the boys' friendship; and the shattered driver has done community service in the shape of lecturing high schools on the evils of drunk driving. Crisp, unadorned documentary approach with the voices of those concerned. An unexpectedly gripping find in the small hours.

Not so a disappointing *Glass Menagerie* from the US. Tennessee Williams' crystalline fragments of almost unbearable memory were treated to a slow, respectful production; even the marvellous Julie Harris's gallant, infuriating deep southern mother seemed infected by the general portentousness. But then culture has recently come in for the heavy approach. A *Constant Singing from the Flames* was Radio 3's tribute to Tony Harrison. The poet deserved better than Michael Knöfel, a producer who can never see a portent flatter by without inflating it into pretentiousness. He narrated, or, as he put it with typical shrinking modesty, "at the very corner, nudging characters in and out of the action, you might catch me." Just as we might catch the Mona Lisa in Leonardo's nice study of a rocky landscape, Mike.

In Hayes, Middlesex, the factory workers are still keenening the demise of the black disc. They gloomily await the next technical advance in the recording industry. Unlike the population of St Pierre, a little bit of Metropolitan France off the North American coast. The 1971 shipwreck of a vessel carrying lawn-mowers prompted mass looting. "There are not many laws in St Pierre," said the local guide. "I don't know what they did with them."

As the excellent Oliver Walston discovered in the latest *Walston Goes Walkabout*, St Pierre, complete with French gendarmes, also has the only guillotine in North America. It would have been nice though tactless to enquire whether the police and the Prefect himself, all sent out from *la patrie*, regarded their stint across the Atlantic as exile, akin to being sent to man the Great Wall of China.

Another outpost of empire, this time British, provided the climax for the week's most haunting item. Chris Harbon took his mother's ashes, self-consciously disguised in a grocer's pink carrier bag, to her native Gihraltar, trying to learn more of the mysterious woman who had borne him out of wedlock - a brave act in those days.

Molly's Ashes was lovely: Alan Bennett oddity without the whimsy. Sue and Hilary of the Tenants' Association noticed that Chris was preoccupied and made "a bit of a performance" about shopping, picking up his bag "with a bit of style". Asked if it was something nice, he replied, "It's my mother."

In Gihraltar he met a charming ladies' local history club and a Scottish medium called Gordon. His mother had been employed as a deputy governor ("he reached dizzy heights," said one lady in awe), good at swimming and the Charleston. Chris saw her ashes into the cathedral's garden of remembrance but didn't know what to do with the bag. "In the end I abandoned it on a bench near the vestry. It looked like I'd left the shopping."

The story of Chris's journey was intercut with recordings he had made of Molly in her last illness. "You were a bonny boy." "My head was too big." "They said you would be easily fed." He found his father's beautiful, passionate love letters and tracked down the old man. Why had they never married? "We just drifted apart."

Funny and touching, about the impossibility of knowing somebody, the programme left one respecting the secretive, independent Molly who sang with the Ovaltines and danced the Charleston and reared a child in a far chiller climate than the Pillars of Hercules and their warm waters.

Literary history versus pleasures of the flesh

David Pryce-Jones on an engaging biography of Cyril Connolly, whose talent battled with a desire for instant gratification

In wild and wonderful flights of fantasy, Cyril Connolly imagined himself a grandee, a millionaire, collector of rare books and silver, a devoted lover, and above all the author of masterpieces. Then came the nightmare that he was none of this, but fat, unlovable and unloved, lazy, wasting his life. Publishing every last thought, he conducted a running commentary on his ego. Vulnerable but eloquent, with real poetry in him, he left on English literature a mark all his own.

Whatever there was to say, it might be thought, he had himself already said, and exhaustively too. Mention of his name is enough to evoke the stages of his classic self-discovery, from an Edwardian childhood and a prep school famously shared with George Orwell, to Eton and Oxford, the Grand Tour, and the years spent editing *Horizon*, that most successful of all highbrow magazines, and last but certainly not least, the many pleasures of the flesh.

In all his fantasies, Connolly himself would hardly have dared to hope for a biographer like Jeremy Lewis. He goes over familiar ground so skilfully that he makes it sound fresh. The

prose is easy to read, and the footnotes are quick-fire comedy. Long but never tiresome, researched in all the right archives, his book is a genuine tribute to Connolly, and a rewarding piece of literary history in its own right.

Connolly was a romantic, a perfectionist, and that is the essential clue, as Lewis sees it. Nothing was ever quite good enough, nor even as good as it seemed. Something else might be better. And whatever had given pleasure could never be let go. Nostalgia, regret and ambivalence mushroomed quickly. Connolly himself wrapped up the mind-set with typical lyric: "I believe in god the Either, god the Or, and god the Holy Both."

Aborted attempts at fiction survive in Connolly's many notebooks. Like others in his generation, he believed that the novel was a form of writing superior to others. God the Holy Both placed a hard lock on all such efforts, and also made sure that it was pretty well impossible to stay faithful at any one time to any one woman, or even two or three. Connolly's idea of perfection was really instant and one-dimensional gratification of whim without the slog of endeavour and achievement. The complex character of Connolly is the natural centre of this book, but many excellent portraits of other people surround and support it. Evidently good-natured, Lewis has an eye for eccentricity and found it in Major Connolly,

Cyril's father, a soldier who never saw active service, an authority on snails and potted meats of all things, poor and not too proud, emitting horrid bodily noises when drunk. His son's vulnerability evidently began at home.

Those who knew Connolly's wives and mistresses often found in them some means to blame him. In the manner of a novelist, Lewis unpicks each of these relationships. Connolly's first wife, Jeanie,

CYRIL CONNOLLY: A LIFE
by Jeremy Lewis
Cape £25, 633 pages

was a generous and attractive American, and she influenced some of his best writing. Ultimately she went to pieces, through troubles of her own making. Next were Lys Lubbock and Barbara Skelton, a formidable femme fatale, and both of them generated much gossip in their day.

During the 1930s, Connolly established himself as a formidable and brooding presence in the literary world. An amazing range of contemporaries envied him, and his apparent freedom to do as he pleased, and get away with it. Geoffrey Grogson and the even more remorseless Julian Symonds, the Leavises and assorted academics, Marxists and penny-a-liners, tried to stamp him out altogether. Their tactic was to take at face value all the nasty things he said about himself. This purposefully confused literary comment with moral judgment. It was indeed a

low, dishonest decade.

Nominally a close friend, Peter Quennell really had never lived up to his promise and he saw himself, somewhat laughably, as a foil to Connolly. The damage he did, though, was mostly social. Far the most complex of persecutors was Evelyn Waugh. At one level he wanted Connolly's good opinion. At another level, he saw him as an alter ego, who had to be mocked and put at a distance, so keeping under wraps his own similar anxieties. The untangling of the Waugh-Connolly love-hate is one of the best things in the book. There were of course notable exceptions to the game of being bloody to Connolly, for instance Arthur Koestler, W.H. Auden and John Betjeman, Hemingway and Edmund Wilson.

Barbara Skelton has already given her account of her marriage to Connolly, and how she left him for the publisher George Weidenfeld. It is a gem of unkindness and foible. Lewis now gives what must be the authoritative version of this whole imbroglio. It marked more or less the end of sadness and farce. Marrying the much younger Deirdre Craig, Connolly at last had a family life, with children. The pram in the hall proved to be not at all what he had dreaded.

In spite of the self-inflicted disappointments and injuries, Connolly in old age felt reasonably fulfilled and even happy. Although it might not match what he had imagined, he had done what he could do. That was enough to give him a hold on posterity.



gérald genta

gérald genta

19, rue de Saint-Jean - case postale 120, CH-1211 GENÈVE 18
Tél.(41) 22 344 87 20 - Fax (41) 22 345 14 88

ART GALLERIES

Susan Shaw, Watercolours, born 27th April, 1997, for two weeks, Century Galleries, The High Street, Harley Wines, Hants, Tel: (01232) 842 747

ARTS

Two cheers for the department

Antony Thorncroft calls for a more radical approach at the national heritage ministry

In all this post-election excitement in Britain, who remembers the great new government initiative of last time, of April 1992? Yes, after the Major victory, the Department of National Heritage was formed, to bring together the arts, sport, heritage and broadcasting. Totally unnoticed, this grand gesture has just celebrated its fifth birthday. How is it faring?

It was one man's dream, created for David Mellor to give him a job equal to his weight. He was very much a hands-on minister. He saw little point in fighting for a big budget for the arts, etc, unless he had some say in how it was spent. Things would have been very different if he had kept his position. His successor, Stephen Dorrell, never took to the job and his successor, Virginia Bottomley, only latterly managed to relax and go native, although her achievement in

preventing savage cuts to the budget last November should earn her some praise.

It is the budget that is the problem with the department. It gets around £1bn a year from the Treasury but is forced to hand it over to its insatiable clients such as the Arts Council, English Heritage, the museums, etc. It has little say in how the money is spent. No wonder this toothless department is seen as a job for politicians on the make, over of favour, or in decline.

But what has really thrown askew the chance that this disparate department could play an active role to national life is the lottery, which, in the eyes of the public - and the Treasury - has greased the palms of artists,

sportmen and others with cascades of wealth.

The Arts Council gets under £200m a year to grant-in-aid but receives over £250m from the lottery. It is lottery money that drives the arts, heritage and sport in the UK and, despite the best protestations of politicians, will ensure that the heritage department's budget will be inexorably trimmed by the Treasury over the years. And, in an ominous development, lottery money for the arts is already starting to come under attack.

It was always feared that more popular causes, like health and education, would muscle towards the lottery trough. That is happening, with the plan to direct the proceeds of the

mid-week lottery to initiatives in these areas. With Saturday lottery revenues in decline, soon arts organisations and sports clubs will be forced to rein back their ambitions.

The big decisions over the next few months will not be made by the National Heritage but by the Arts Council, and they will be made with awareness of a tightening purse. Three mammoth lottery applications are up for consideration in June: the plan to modernise and cover with a dome London's South Bank; the conversion of the Baltic Mills in Gateshead into a modern art gallery, plus another arts

complex in the northern city; and a similar development by the docks to Bristol. Together they would consume much of the council's lottery money for a year.

The South Bank is the most sensitive because it is another London project, and was originally costed at a mammoth £120m. It will be offered nearer £90m on the understanding that some of the cash comes from heritage lottery resources. Gateshead and Bristol, being regenerating schemes in the regions, will certainly go ahead. After that, with the exception of a new home for English National Opera, all major arts projects are on hold.

It seems the minister will be

stepping into a limited job with financial restraints. The major institutions - the Arts Council, English Heritage - are under no threat of serious overhaul. Their chairmen, Lord Gowrie and Sir Jocelyn Stevens, are secure in their posts for another two years and more. One exciting area of potential change, the decision to invest many millions into the British film industry, has just been taken. More money will be thrown at sport, with few signs of success in raising the performance of the national teams. It is stasis all round.

But there are some changes a new, committed, minister could make which would revitalise the department. Lottery money

could ensure that museums be kept free from the need to impose admission charges; public libraries could be encouraged to embrace a new electronic era; the murky minefield that, in theory, lottery money must only go on capital projects could be defused for the benefit of poorly paid actors, musicians, artists, etc; the partly bandaged running sore on grants for students in the arts could be finally healed; and there is plenty of scope for new approaches to one of the most challenging issues facing any government: the media, and especially the broadcasting, revolution.

The Department of National Heritage was a good idea which has not yet established deep and permanent roots. It needs a confident minister to build on its best intentions, and to expand its influence into areas which can make a greater impact on contemporary society.

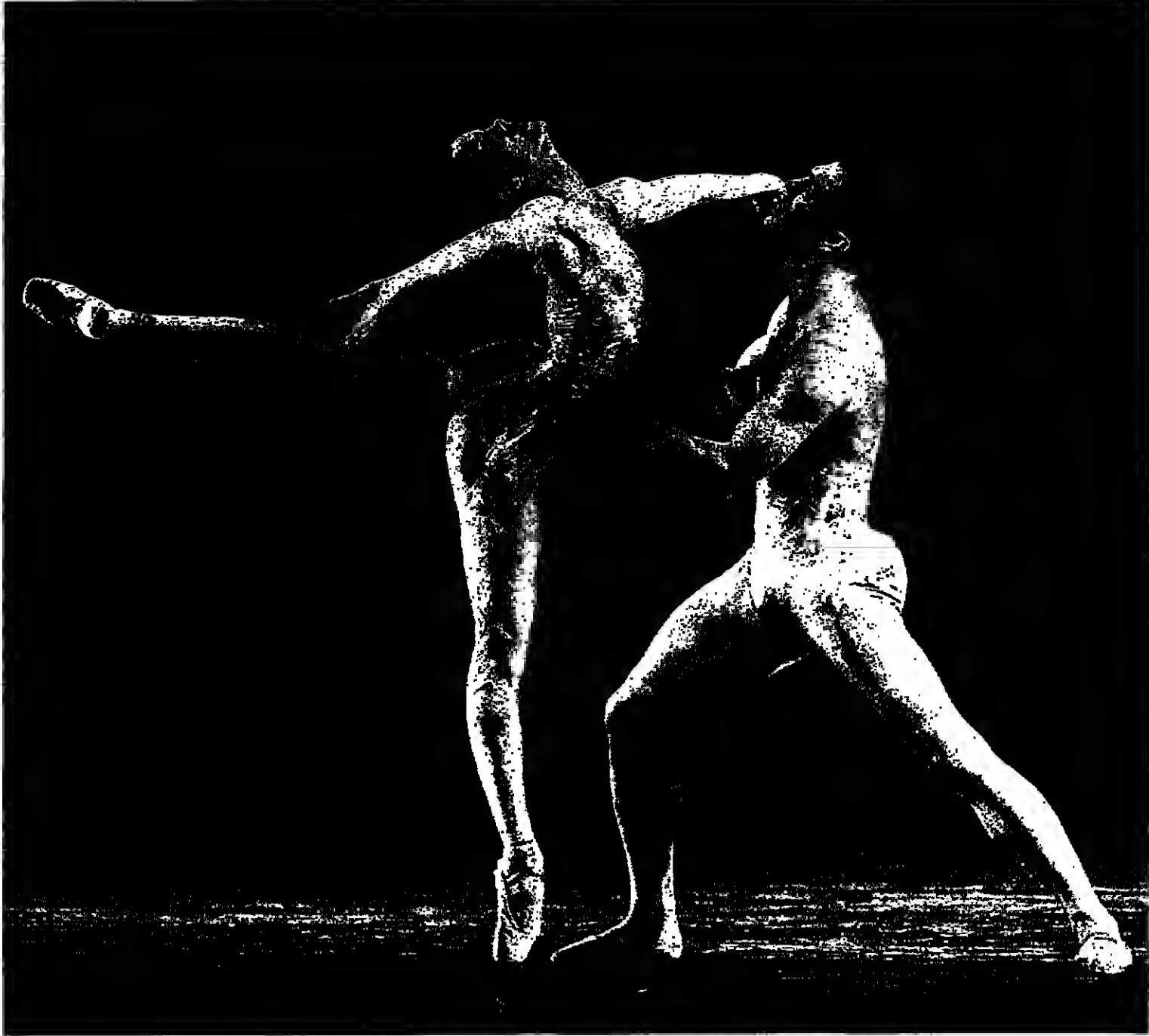
Ballet
And did the earth move for you too?

Ecstasy, on stage as at an all-night rave, is *A Bad Thing*. In *Amores*, a new piece by Glen Tetley given its first Royal Ballet performance on Wednesday, the three couples in its cast are very ecstatic indeed. The women fling themselves into their partners' arms, are carried interminably on high and register so much arched-body delight that the piece might be re-titled "And did the earth move for you, too?".

Against Nedine Baylis's handsome backcloth of a thick-impasto'd blotch of paint that is by turns earth and greenery, wearing lamentable sardine-shiny leotards in pastel shades, the dancers are involved in a choreographic text that is part déjà-vu (Tetley's style has ever been muscularly over-wrought) and part vain repetition.

A disquieting if incidental fact is that the same dance-forces are involved in Ashton's luminous (and genuinely ecstatic) *Symphonic Variations*. But for reasons too vexing to contemplate, the Royal Ballet's directorate would rather offer us this writhing sham than a masterpiece that speaks about the company's history and true identity.

An added problem is Tetley's choice of three scores by the American "post-minimalist" (a phrase I cull with no pleasure from the programme note) Michael Torke. *December* and *Green* sound as if they were made for a New Zealand film - and an open-air one at that - while the final *Japetis* has the grinding repetitions of *echi-minimalism* and hints



When too much ecstasy is a bad thing: Darcey Bussell and Stuart Cassidy in Glen Tetley's new work for the Royal Ballet, 'Amores'

that the refrigerator is on the blink again. The music offers nothing to dance, and Tetley's manner - movement spread over the score like a tramp on a bench - discerns nothing of value in it, which may be proof of musical sensibility on Tetley's part.

The cast race hither and yon, proposing spurious emotion and real physical effort. Only Michael Nunn emerges with any credit: his style is clean, his phrasing shapely. Darcey Bussell

seems to be a central figure, and she is lifted or sinks in the ground in what may be amorous delight but looks more like cramp. She is ill-served throughout.

The triple bill to which *Amores* is central, was supposed to begin with Balanchine's *Apollo*. The Balanchine Trust, wisely established to preserve the text and manner of his ballets - ah, would there were a Petipa Trust, too! - made certain requirements when the staging was proposed.

These the Royal Ballet could not fulfil, and *Apollo* was cancelled by the trust, and rightly so, I feel.

The substitution of *The Judas Tree* is bizarre. It is a very fine ballet - stunningly well danced by Irek Mukhamedov on Wednesday night - but is no opener for a programme, and co-acceptable substitute for *Apollo*. (That the crucial hanging was preceded by the all-too-obvious arrival of a stagehand to help Mukhamedov in typical of this season's

errant standards.) Mukhamedov's performance, though, has grown even denser, darker in feeling and dancing, more penetrating to the ballet's core. It is one of the greatest things he has done in his career.

The closing *Symphony in C* is Balanchine and sunshine and youthful Bizet, and in good performance as near bliss as we are entitled to expect in this vale of tears. On this occasion the fourth movement featured dancing as near the Nether

Pit as I ever hope to go. (If the Royal Ballet cannot provide a fitting soloist, then vestigial respect for Balanchine ought to have brought the cancellation of this item, too.) It was Darcey Bussell in the adagio, relishing every step, dancing with a joyous ease, who reminded us what this marvellous work is about: the freshness of Bizet's 17-year old genius and Balanchine's perfect realisation of it.

Clement Crisp

Theatre/Martin Hoyle
Private Lives for the 1990s

It was when the illicit lovers - she a self-sufficient man-hater, he her best friend's fiancé - pummelling and kicking each other, finally rolled exhausted on the floor, that I realised the true identity of Alan Ayckbourn's new play, *Things We Do for Love*. The scribe of Scarborough has re-written *Private Lives* for the 1990s suburbs (a liaison house in "London SW" to be precise), fond of mouth, crossed of purpose and explicit of sex. On Tuesday the Stephen Joseph Theatre's proscenium auditorium, the McCarthy, resounded to cheery Yorkshire approbation of such rudeness as coltus interruptus, fetishism and transvestism.

Career woman Barbara is letting her upstairs flat to old school-friend Nikki and Nikki's fiancé, Hamish, while their new house is prepared. Roger Glossop's set gives us Barbara's sitting-room, all single woman's neatness complete with antique chairs not meant to be sat on, plus the first couple of feet or so of the upstairs flat - scope for eloquent legwork from invisible actors kicking off neither underwear in uncontrollable lust or bumping up the bedclothes in orgasmic frolics.

The bottom left-hand corner of the stage also lights up: the ceiling of the basement flat where Gilbert, a postman by profession, bandy-man by inclination and secret adorer of Barbara, is doing a Michelangelo by secretly painting her, vast and nude, over his living quarters.

The instant loathing between the brisly unemotional landlady and her temporary guest, Hamish, hints at the ever perverse Ayckbourn's intentions. They are wildly, passionately, uncontrollably attracted; and the nuh of the play charts the delicate shaded area between love and lust; and - typical Ayckbourn - the hilarious destruction of innocent bystanders.

First among these is the

abandoned fiancée, Nikki. Ayckbourn again proves himself one of the few British playwrights to create good roles for women. Nikki, first seen in baby pink with an Alice band, is a monster of cloying girliness. She approvingly quotes her betrothed's judgment of her as "a porcelain princess", but also reveals a past of battered abuse - flying plates, being locked in cupboards - that prompts her innocently to wonder whether she is a born victim.

Sally Giles's nauseating brilliance is offset by Joanna Van Gysegem's gruff Barbara, the head prefect whose nickname was "Spike", now buttoned-up and brusque, so repressed that she barks "why?" when complimented on her appearance. In a scene comparable to the wife's breakdown in *Just Between Ourselves* Barbara talks of her career, her office, her boss, his "devastatingly beautiful" wife, lovely children, huge house, while struggling against the hysteria of loneliness and frustration before making a break for the bedroom with a cursory if proper "excuse me".

Like Coward, Ayckbourn is a master of keeping the verbal plates spinning in the air while the plot is at standstill. The conclusion at first suggests a bleak loneliness for all concerned, then a happy ending for the improbable Beatrice and Benedick. But the final embrace of the ill-assorted lovers leaves us wondering, as the wily author doubtless intends, about the chances of happiness for Barbara, the tempestuous sexual novice, and Hamish, with his track record of broken relationships. Forget Sartre: Ayckbourn's comedies, so often prompting guilty laughter at others' pain, long ago proved that hell is other people, even as they blunder mistakenly on the road to heaven.

For British television the operating theatre has become what the wild west used to be for Hollywood: a setting within which drama can deal with almost any subject under the sun. While telling seemingly simple stories in which a man had to do what a man had to do, the western served as metaphor for matters as large as American isolationism (the ageing patrifamilias who wants to cut himself off with his family on the ranch and ignore the outside world; the evils of the cartel (conspiring cattle-men foiled by heroic lone outsider); or racial intolerance (vicious and murderous redskins in the early days, vicious and murderous palefaces later). Many were simpler, dealing with familiar tales of justice, love, loyalty, brotherly competition, family feuds, or the usurping of the old by the young. Why everyone other than Clint Eastwood has now abandoned this invaluable hold-all, goodness knows.

BBC1's two-part drama *The Heart Surgeon* which starts tomorrow evening and ends on Bank Holiday Monday, involves adultery, the intrusion of the profit motive into medicine, ethics - should a surgeon perform a heart by-pass operation on his best friend? - profes-

Television/Christopher Dunkley
Getting right to the heart of the matter

sional competition and jealousy, press intrusion, and more. It may not be a drama to stand alongside the best from Dennis Potter or Alan Bleasdale; you do not get the impression that writer John Collee has anything to communicate about which he feels truly passionate. But it is unmistakably superior to most of the chunks extruded these days with such regularity, not to say monotony, by the plastic drama factories of BBC1 and ITV.

For a start, there is a pleasingly authentic unpredictability about the triangular relationship at the centre. When the elegant, handsome, rich, talented consultant Alex Marsden first drives out of London to go to a remote farm in a beautiful valley, you do not know what relationship exists between him and the couple who are already there, Larry and Marcelle. Is he a co-owner? Brother? Ex-husband visiting his former wife? It makes a change not to be told in one of those scenes where characters lecture one another on their relationships, but to learn instead from a scene where the two men play guitar

together that it is, as much as anything, a male friendship that lies at the centre of the matter.

Indeed, one of the strengths throughout this piece, directed by Audrey Cooke (whose previous work includes the wonderful *Cardiac Arrest* and soaps such as *East-Enders* and *Brookside*) is the subtlety with which facts are conveyed. Nigel Havers, one of those matinee idol actors who never gives a bad performance and here delivers an unusually good one, is never provided with any lines to show what he thinks of the new layers of administration in British hospitals, yet you rapidly realise that he is contemptuous. Similarly Michael Troughton, who gives a delightfully understated performance as the anaesthetist, communicates without the need of direct statements the fact that Alex's professional brilliance inspires his admiration yet also his distrust.

There is more of the "A.C.T. please! Cut! Clamp! Silence!" than would seem to be strictly necessary, but perhaps those in drama feel

that viewers now consume such huge amounts of the real thing in medical documentaries that long-winded close-up detail has become de rigueur. Some will enjoy all the tension of the operations which is created with such convincing detail, and the rest of us can always look away. It does not greatly matter. What does matter is the way in which a story set up so interestingly in the first half to consider a complicated mixture of sexual and medical ethics, almost abandons that threat in the second half and becomes a rather mundane whodunnit.

On the following night, Tuesday, the same channel offers a very different sort of drama. *Missing In Action* uses actors, archive sound, clips from television news programmes, and other material, to tell how American fighter pilot Scott O'Grady was shot down over Bosnia, hid in the woods for six days, and was rescued by the Marines. It is real Boys' Own stuff, but we all know the outcome, so it is impossible to tantalise us, and there is not enough interesting material to fill 50 minutes. Padding it out with repeated shots of O'Grady's father and sister anxiously following events back in the US merely slows things down. The programme would be greatly improved by a 20-minute cut, and could be transformed into something really enthralling if anyone had the courage to trim it back to 15 minutes.

that viewers now consume such huge amounts of the real thing in medical documentaries that long-winded close-up detail has become de rigueur. Some will enjoy all the tension of the operations which is created with such convincing detail, and the rest of us can always look away. It does not greatly matter. What does matter is the way in which a story set up so interestingly in the first half to consider a complicated mixture of sexual and medical ethics, almost abandons that threat in the second half and becomes a rather mundane whodunnit.

On the following night, Tuesday, the same channel offers a very different sort of drama. *Missing In Action* uses actors, archive sound, clips from television news programmes, and other material, to tell how American fighter pilot Scott O'Grady was shot down over Bosnia, hid in the woods for six days, and was rescued by the Marines. It is real Boys' Own stuff, but we all know the outcome, so it is impossible to tantalise us, and there is not enough interesting material to fill 50 minutes. Padding it out with repeated shots of O'Grady's father and sister anxiously following events back in the US merely slows things down. The programme would be greatly improved by a 20-minute cut, and could be transformed into something really enthralling if anyone had the courage to trim it back to 15 minutes.

Concerts/Richard Fairman
The Sanderling sound

In recent years the Philharmonia has settled on Kurt Sanderling as its elder statesman among conductors. The 84-year-old east German was given two prestigious concerts at last summer's Edinburgh Festival, has just completed a three-concert series at the Royal Festival Hall and is booked to open the orchestra's 1997/8 season there in September.

Fame - if such it be - has come late for Sanderling. The top German maestros in the generation before, such as Karajan and Böhm, were feted in a way that has not happened to their successors, who are perhaps more modest men. Sanderling has never enjoyed the marketing power that comes with a major record company contract, as for example Böhm did, even though I would not hesitate to rank him the more interesting conductor.

The last of these three Philharmonia concerts concluded with an epic performance of Shostakovich's Eighth Symphony, which had authority stamped over every bar.

There can only be a handful of people left who are as close to this wartime symphony as Sanderling can claim to be. At the very time that Shostakovich was writ-

ing it late in 1942, Sanderling was taking up his appointment as principal conductor of the composer's favoured orchestra, the Leningrad Philharmonia.

So his sombre performance of it must be authentic - a black-and-white documentary, rather than the highly-coloured orchestral showpiece that some conductors make of it. Sanderling does not have any interest in making difficult music seem easy. He took the long opening movement expansively; the scherzo's brilliant rhythms became the hammering of a blunt club, the atmosphere of the largo hung like a black cloud. In Sanderling's hands this was unmistakably a Soviet symphony - oppressive and hopeless.

His concerts with the Philharmonia have included a few performances which might have seemed wrong-headed with anybody else, but if Sanderling is conducting, there is no question they have to be taken seriously. Tchaikovsky's Fourth Symphony in the first of this series was one of those. Forget Tchaikovsky the romantic extrovert; this was a dour symphony, weighed down with deeply pessimistic thoughts - a

valid view for sure, but I would not wish to hear it played like this often.

There were two concertos. In the first programme the composer's son, Michael Sanderling, proved himself a pleasing cellist in Shostakovich's Second Cello Concerto; in the second, Antje Weithaas played Mendelssohn's Violin Concerto with a nice feeling for its lyrical nature, but utilitarian tone.

The Philharmonia, in rugged and determined form, makes a good vehicle for Sanderling's kind of music-making. They are wise to use him, while he is still here.

Concerts sponsored by Eurostar.

ROW PREVIEWING
BEST PLAYERS OF THE WEST
PATTI LAFORCE
MUSIC BY
PATTI LAFORCE
QUEENS THEATRE
SEE CLASSIFIED FOR DETAILS

The Royal Opera
ELEKTRA
Richard Strauss
13 17 19 22 24 27 May at 7.30pm
31 May at 7pm

COLLECTING

Old masterwork heading west

High value is still placed on the best old paintings, especially by museums, finds Antony Thorncroft

The UK is set to lose one of its finest 17th century paintings. Poussin's "Tempe Calme" has been sold by the Dent-Brocklehurst family of Sudeley Castle to the Getty Museum in Malibu, California, for a reported £12m (\$19.5m). This is the latest of a string of masterworks, including paintings by Rembrandt, Claude and Constable, dispersed from Sudeley.

A number of rich aristocratic owners are obviously cashing in their treasures now as a precaution against a possibly tougher tax regime under a Labour government. Many works - the Duke of Northumberland's Raphael; a Holbein of the Marquess of Cholmondeley; the Bacon family's Dürer, all multi-million pound paintings - have been safely gathered into the National Gallery, but an important Fra Bartolomeo, owned by Viscount Gage, and a Guercino from Castle Howard, have been lost to the Getty.

The Heritage Lottery Fund, which has the resources to keep such works in the UK, is chary of spending too much of the lottery players' money on bailing out the rich.

What the latest excitement underlines is the high value still placed on the best Old Masters, and the reluctance of their owners to entrust them to the vagaries of the saleroom. Whereas the market in Impressionist and Modern art, at the top level, is now dominated by Sotheby's and Christie's, their impact on Old Masters has not grown apace. Here the dealers, and the museums, retain their influence.

There are good reasons why this should be so. Old Master paintings come with a health warning. There are much more likely to be problems over authenticity, provenance, and condition than with more recent art. Most of the finest examples are locked into museums, reducing the buying opportunities for wealthy collectors. There is also the challenge of subject matter. Until the 17th century most paintings had religious themes, an iconography beyond the knowledge of many potential buyers today. The guiding hand of a dealer can seem desirable.

The highlight of the top Old Master dealers' year is the Maastricht Fair. There is a tradition of collecting among wealthy Germans, French, Dutch and Belgians which stretches back over three centuries and now the fair is grand enough to bring over the Americans. Apart from the recent interest of Sir Graham Kirkham, there are few British collectors of Old Masters.

It was a good Maastricht for the trade this year, and among the highlights for London dealers were "The Battle between Carnival and Lent" by Pieter Bruegel the Younger, which Johnny Van Haeften sold for around £1.5m, and a Canaletto capriccio, which Colnaghi sold for about \$1.1m. Works by the younger Brueghels and Canaletto, along with Dutch cabinet pictures, neatly sum up most of what is on offer among Old Masters. The great masterpieces, works by Raphael, Botticelli, Leonardo, long ago entered public collections.

Fortunately art history is always discovering new "great" artists, at affordable prices, and taste has widened so much that previously unfashionable eras, like the 17th century Italian Baroque, are now much in favour. There is some collecting resistance to portraits (although a young lady painted by Leonardo's follower Boltraffio should approach £1m at Christie's

London in July), and affecting religious scenes, like the Crucifixion. But buyers of Old Masters go for the impact of the picture rather than the artist's name. Anyone who missed out in Maastricht gets another chance to view hundreds of Old Masters in New York at the International Fine Art Fair, which opens at the Armory on Friday. Dealers can still sniff out major paintings, and Noortman is offering a pair of portraits by Frans Hals for \$7.5m.

Even for top dealers fairs have become the key selling opportunity: their galleries are an increasingly expensive shop window, especially if the window is in London's Bond Street. Last year Colnaghi decided to move to the back of its space, letting the front to a clothes shop. Now London's other grand old name, Agnew, is doing the same. There is much more profit in fashion than Fragonard these days.

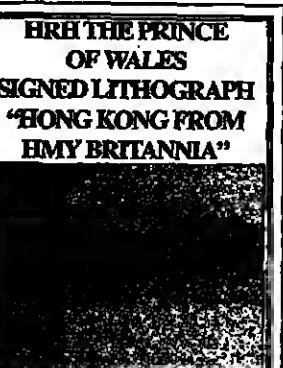
But Old Masters will retain their allure, if only because they are so cheap compared with later art. It is quite extraordinary that good examples of paintings by such revered names as Tintoretto, Claude and Tiepolo can be bought for around £500,000 on the rare occasions that they arrive on the market.

Acrylic paintings by artists of the postwar New York School, Andy Warhol for one, whose place in art history has yet to be determined, often sell for twice as much.

Canvassing Asian art

Ann Chubb sees east Asian wealth on the walls of Singapore

With the Hong Kong hand-over to China imminent, Singapore likes to see itself as the arts springboard for Asia. And ironically, it is a



HRH THE PRINCE OF WALES SIGNED LITHOGRAPH "HONG KONG FROM HMY BRITANNIA"

British-based company which has established over the last five years the biggest annual international Fine Art and Antiques fair for Asia, Tresors, which opened last week in Singapore.

Singapore, a one-time fishing village, has developed into a wealthy international business centre and south-east Asia's new millionaires are hungry for culture. The government is sinking billions into making Singapore a global city for the arts, building an opera house to rival Sydney's and installing new museums like the just-opened Museum for Asian Civilisations.

There are already 300 art galleries in the city, and over the past few years the auction houses have established bases there, too. Sotheby's and Christie's recently held auctions and Bonhams held its, in aid of awareness of endangered species of wildlife, on April 26.

East truly met west at Tresors with its extraordinary mix of world treasures, from Asian art to Chinese porcelain, Victorian silver to Persian carpets, Chagalls and

Picassos to the graffiti art of the late Jean-Michel Basquiat and aboriginal art of Australia - a treasure trove expected to attract spending in the region of \$25m.

But what truly dazzled at Tresors was the jewellery, with glittering displays from five of the world's top jewellers, none of whom ever exhibit at any other fair in the world. For at Tresors they not only reach the rich Singaporeans but Indonesians, Malaysians, Bruneis, Filipinos and Thais, all of whom prefer to buy in privacy outside their own countries.

The jewellery market in Singapore is one of the most sophisticated in the world. Certainly it appeared that way, with pearls the size of quails' eggs, diamonds as big as 50p pieces and rare examples of art deco.

Looking at the stands at Tresors, established by Britain's Fine Art and Antique Exhibitions, one could be forgiven for thinking that coloured diamonds were this year's new trend. In fact, it is rare to see so many coloured diamonds - blue, pink, yellow, green and orange - all under one roof.



Antique yellow gold brooch, exhibited by Anne Schofield Antiques

notably the unique collection of perfect D-diamonds exhibited by Graff of London. All in all, a stunning display worth \$70m was on offer.

As the principal world dealers in coloured diamonds, Graff's display included intense yellows, deep blues and intense pinks, as well as the very rare pinky/orange stone. The

most expensive diamond on view was a flawless deep blue heart-shaped valued at \$3m and a flawless D-diamond of more than 40 carats in a pear shape worth \$5m.

Exquisite art deco jewellery and Fabergé pieces were on show at royal jewellers Wartski of Mayfair, which was exhibiting for the first time. "They seem to have an insatiable appetite for jewellery here," said Wartski's Geoffrey Munn. "They're obsessed with carat weight and stones, which can be a problem with the sort of antique jewellery we sell. The focus of interest is on art deco."

Many of the buyers are executive women buying for themselves. We sold a 19th century carved gold ring with a cushion-shaped white diamond for \$83,750 to a Singaporean lady who works as a banker.

Crown jewellers Garrards brought a cross-section of what they sell in London, from an art deco silver tea set to a Georgian silver cutlery box and a magnificent collection of jewellery, again focusing on art deco. A



'Mystery of the ninth woman', one of a series of three paintings by Erica Hestu Wahyuni

French gilt clock set with porcelain panels circa 1860 sold on the first day for £6,000. A rare set of ruby and diamond bracelets were expected to fetch £40,000.

But if exquisite jewels by Graff, Dior, Dior, Garrard and Siba dominated the exhibition, 70 per cent was given up to fine art from four continents.

On opening night, the 7,000 visitors, many of them Asian beauties dripping with jewels, crammed the stands, platinum cards at the ready. Not all the buyers were Asian. Joseph Kieboom from the Netherlands Foreign Investment Agency, newly relocated to Singapore, was looking for paintings to furnish his new apartment.

"I had been advised not to ship my own paintings because of the humidity but now I realise that oils are suitable and I'm looking for something to cover my bare walls. I'm not an investor - I

buy art when I like it, and when I like it I don't want to sell it."

The Enrico Navarra gallery from Paris created enormous interest with its provocative paintings and collages by Jean-Michel Basquiat - one measuring 225cm by 225cm was valued at \$340,000 - plus Chagalls and Picasso drawings from 1922. Showing for the first time it was more interested in making contacts with museums and private collectors.

"If we can find two or three art lovers and help them find what they want it is certainly worth our while," it said.

In a market where the status of obvious quality is valued, Robert Bowman from London, specialising in 19th and 20th century sculpture, does well. By day two he had already made one good sale - a big bronze of an Egyptian woman by the French

artist Matthew Matharin Moreau dated 1822-1912, which fetched £20,000.

"It's a market with tremendous purchasing power," he said. "But they are always very concerned about getting something that is worth what they paid for it. They like Egyptian figures because they have an exotic quality that is familiar to them."

Marlborough Fine Art, exhibiting for the first time, featured the bold, bright paintings of Bolero and an array of paintings by Chen Yi Fei, the most sought-after contemporary Chinese artist in the world.

Tresors' organiser Bill Burris says the Asia-Pacific market has become more sophisticated over the last five years. Next year he plans to take the fair to Hong Kong with a package deal on freight and travel that would make an attractive offer for dealers.

Introducing a different line of international jewellery and exquisite timepieces at 135, New Bond Street London



WEMPE
Exquisite Timepieces & Jewellery
Est. 1874

Hamburg - Frankfurt - Berlin - Paris - Vienna - New York - Munich - Düsseldorf - Cologne
For further details and catalogue please telephone 0171 493 22 99

THE INTERNATIONAL FINE ART FAIR
PAINTINGS DRAWINGS SCULPTURE
MAY 9-14, 1997
Daily: 11am-5pm, Sunday & last day: 11am-7pm
Benefit Preview for God's Love We Deliver: May 8, 6-9pm
THE SEVENTH REGIMENT ARMORY
PARK AVENUE AT 6TH STREET, NEW YORK CITY
Information: New York (212) 642 8372 or London (0171) 734 5491
http://www.demon.co.uk/haughton or email: info@haughton.com

MONTAGUE DAWSON
EXHIBITION: Until May 23rd 1997. Catalogue £15
FROST AND REED
2 - 4 King Street, St James's, London SW1Y 6QP. Tel: 0171 839 4645, Fax: 0171 839 1166

RICHARD GREEN
Jacob Bogtani (1658-1724).
Cockerels, hens, a turkey and other birds in a garden.
Signed. Canvas: 51 1/4 x 81 1/2 in / 145.4 x 207 cm
Exhibiting at
The International Fine Art Fair
Seventh Regiment Armory, New York
9-14 May 1997. Stand number E1
33 New Bond Street, London W1Y 9HD
Telephone: 0171 493 5553 - Fax: 0171 499 8509

FOOD AND DRINK



A serious paternity suit

Jancis Robinson considers the revelations over Cabernet Sauvignon's parentage

Scientists in California have just published findings that will amaze serious wine enthusiasts, while demonstrating something that any child would guess at.

A new, statistically extremely sophisticated method of DNA testing has been put to work to establish paternity in the vineyard rather than in the courtroom. One of the most surprising findings concerns Cabernet Sauvignon, the world's most respected red wine vine that is principally responsible for Bordeaux's lofty first growths and is now planted almost everywhere wine is made.

For as long as different vine varieties have been identified, the identity of such an obviously noble vine has intrigued researchers, historians and tasters alike. The hardness of its wood, the etymology of its name and the shape of its leaves have all been pored over to provide various hypotheses linking it to the works of Pilius, previous generations in Spain, even Central Asia.

But John Bowers and Carole Meredith of the University of California at Davis have rendered such speculation obsolete. Their recent detailed analysis of the genetic fingerprints of more than 50 of the best known wine vines in the world suggests that Cabernet Sau-

vignon is actually the progeny of two other well known vine varieties, Cabernet Franc and Sauvignon Blanc.

(To put this exciting achievement in molecular biology with more scientific rigour, the chances that Cabernet Sauvignon's parents are not Cabernet Franc and Sauvignon Blanc are less than 1 in 100 trillion.)

The real surprise is that the noblest of all red wines turns out to be made from the offspring of a white wine vine, Sauvignon Blanc, nowadays most famously responsible for Sancerre, Pouilly-Fumé and New Zealand's international wine reputation.

Wines made from Sauvignon Blanc and Cabernet Sauvignon could not be more different in their ageing potential, but wine made from less-than-fully-ripe Cabernet Sauvignon grapes does smell vaguely – and now we can think perhaps significantly – reminiscent of some Sauvignon Blanc wines.

A relationship with Cabernet Franc, widely planted and blended with Cabernet Sauvignon, is less surprising – except that Cabernet Franc tends to produce lighter wine and I would have instinctively bet on Cabernet Sauvignon being a parent of Cabernet Franc rather than the other way round. The new finding does explain,

Examples that are worth buying

Ch Bataille 1990, 218.20, Berry Bros & Rudd, London SW1. A rare chance to get your hands on a classic vintage sold by the single bottle at a reasonable price.

Wing Canyon Cabernet Sauvignon 1993, Mount Veeder, \$22.95, Oddbins. Fine Wine. Made by a fanatic on a tiny property – coincidentally Professor Meredith's neighbour – this is just the sort of wine to prove that the Napa Valley is Cabernet's second home.

however, why Cabernet Franc is mentioned earlier in the literature of Bordeaux than Cabernet Sauvignon, first mentioned in the 17th century.

Both Cabernet Franc and Sauvignon Blanc have been widely planted in south-west France for centuries. Since records of Cabernet Sauvignon's existence pre-date the practice of deliberate vine

breeding, the crossing was probably made by nature rather than man. (Bordeaux's vineyards were often planted with a mixture of dark and light berried vines prior to our era of varietal consciousness.) The name Cabernet Sauvignon is therefore highly unlikely to have been the neat result of knowing the vine's parentage.

I have a particular, and possibly highly irrational, tendresse for Cabernet Franc since some of my favourite wines – Chateau Cheval Blanc, Chateau d'Arenberg, and Chateau de Beaucourt – are substantially made from it. Exciting new varietal examples are emerging from wine regions such as Washington state, Long Island, north-east Italy and New Zealand.

What they share is an amiability, a neat and thoroughly satisfying balance, and the manners to beguile throughout their lifetime.

What is wonderful about Cabernet Sauvignon is that when and where such a late-ripening grape can be fully ripened, it can produce wine of heroic dimensions that will impress throughout its life, but may actively please only towards the end of it. Both Cabernets tend to benefit from being blended with each other and with the plumper Merlot grape variety.

DNA fingerprinting techniques can be harnessed to solve a host of viticultural mysteries. (Until

recently we had to depend on the observations of a handful of ampelographers, humans trained to identify varieties by detailed physical examination in the vineyard.)

Such advances in molecular biology should thrill not just those of us who care about vine identity but historians too, for the history of the grapevine mirrors the history of man.

Meredith's team has already established that California's very own grape Zinfandel is identical to the Primitivo grown in southern Italy, and is currently on the trail of their common ancestor. (Pisave Macchi di Dalmatista is number one suspect.) We may end up knowing more about American immigration patterns.

The Davis researchers are also unravelling the mysteries of the American vines known as Petite Sirah which are enjoying fame and fashion. Watch this space.

Other teams are working on similar projects in Australia, France, Italy, Germany and Austria and we can expect many more vine revelations to come. Merlot, for example, seems to be closely related to Chardonnay, which will intrigue all those producers in the Muscadet region busily replacing their Melon with Chardonnay from Burgundy in an effort to upgrade their vineyards.

The French collection

France is a country designed for picnics; quiet country roads with easy access to fields and farmers who quite understand the importance of *le déjeuner*. None of that "private property, keep out" nonsense.

A quick scout around any town or village will provide the required pâté, cheese and bread in your basket which still leaves time for a thirst-quenching beer. There is no need, you might say, to do any more preparation than remember a corkscrew and glasses.

Scratch picnics may suffice as we hurtle down the *route du soleil*, but this is kindergarten stuff in the land of serious picnickers. You only have to gaze at the works of Manet and Monet, Tissot and Renoir to see serious picnickers at work.

White tablecloths, proper cutlery and glassware, even napkins. It may not be so elaborate these days, but it remains serious. At a car

boot sale in south-west France last summer there were fields full of stallholders and for three hours they all lunched.

Thousands ate their way through pâté, cheese and salad. Some had brought soup, others roast meat still warm wrapped in tin foil. Tarts were everywhere, from quiches to *pissaladière*, from chicken to veal. A lot seemed to wobble on every second table, and the omelettes were amazing.

Salads came in every form, but most included huge heads of buttery lettuce and alongside those small *chèvres* which we pay so much for in the UK.

In France I invariably buy meat terrines and pâtés, but this is a favourite to make at home, skate being particularly suited because it contains lots of jelly to hold the terrine together. The other recipes follow a loose French theme based around one of the lunches I observed at the car boot sale.

Hugo Arnold's perfectly pleasant picnics. Menu two

PRESSED TERRINE OF SKATE, NEW POTATOES AND SPINACH

(Serves 2)

You need to leave the terrine overnight in the fridge and then chill in the refrigerator. 1 onion, roughly chopped; 1 carrot, roughly chopped; 1 bay leaf; 1 small white wine vinegar; salt and pepper. Method: In a large shallow saucepan add the onion, carrot, bay leaf and vinegar. Bring to the boil, then simmer for 10 minutes. Drain the vegetables and add to the terrine. Add enough cold water to reach the fish and bring to the boil. Simmer for 10 minutes, then add the skate and cook for 10 minutes. Drain the skate and add to the terrine. Season the terrine with salt and pepper. When the fish is cold enough to handle, press it into the terrine from the carriage.

Clean the potatoes, but leave them with their skins on. Boil in plenty of salted water until cooked, drain, allow to cool and cut into thin slices. Clean the spinach thoroughly and remove any stalks. Blanch in boiling salted water for 30 seconds, then drain and cut into thin slices. Lay out on paper towels to dry. Place the terrine in a large saucepan with cold water and bring to the boil. Add the potatoes and spinach and simmer for 10 minutes. Drain the vegetables and add to the terrine. Season the terrine with salt and pepper. When the fish is cold enough to handle, press it into the terrine from the carriage.

Start with a layer of spinach, then skate, then potatoes and back to spinach again. Continue, seasoning well with salt and pepper as you go – remember this recipe is served cold, so don't skimp on the salt. Drain the vegetables and add to the terrine. Season the terrine with salt and pepper. When the fish is cold enough to handle, press it into the terrine from the carriage.

POACHED CHICKEN WITH MUSTARD, TOMATO AND FRENCH BEAN SALAD

One free-range, poached chicken; 2 carrots; 10 parsnips; 1 onion, unpeeled and cut into quarters; 1 stalk celery; 100g French beans; 100g tomatoes; 1 dessertspoon Dijon mustard; salt and pepper; 50ml red wine vinegar; 150ml extra virgin olive oil. Method: Place the chicken in a large saucepan with the carrots, parsnips, onion and celery. Cover with cold water, bring to the boil, skim and simmer for 50 minutes. Remove the chicken from the stock and set aside to cool. You can then strain the stock and use it later.

Cook the beans in plenty of salted water until just tender, drain, refresh under cold water and set aside. Cut the tomatoes into quarters, deseed and add to the beans. Place the mustard, a generous pinch of salt and pepper and the vinegar in a bowl using a wine whisk, beat it together. Drizzle in the olive oil, whisking briskly and check seasoning. To serve, toss the beans and tomatoes with the mustard dressing, carve the chicken and serve on top.

CELERIAC REMOULADE WITH CAPERS, BLACK OLIVES AND ANCHOVIES

Two egg yolks; 1 teaspoon white wine vinegar; Dijon mustard; salt and pepper; 200ml vegetable oil; 4 anchovy fillets, roughly chopped; 1 tablespoon capers, rinsed well; 1 tablespoon freshly chopped parsley; 2 tablespoons roughly chopped black olives; 1 celeriac; 1 cos lettuce trimmed. Method: Place the egg yolks in a bowl along with the vinegar, a pinch of mustard and a seasoning of salt and pepper. Beat well and add the oil, drop by drop, advancing to a slow but steady stream, whisking all the time. Combine the celeriac, capers, parsley and olives with one tablespoon of mustard and the mayonnaise, mixing so everything is well coated.

Cut the celeriac into manageable chunks and push through a mandoline to form spaghetti strands. Mix the celeriac with the mayonnaise and serve, using the leaves from the lettuce as scoops.

STRAWBERRIES AND VERY OLD BALSAMIC VINEGAR

The older the balsamic, the better. You only need a few drops and then leave to macerate for an hour or so. Cream if you insist, but it rather destroys the experience.

JANCIS ROBINSON'S wine recommendation is *Hugoborn Hardeyellu 1996, \$2.99, Safeway Wine Fair (until May 25)*. Well-packaged substantial dry white from spicy native variety.

A new job description

Nicholas Lander meets a professional restaurant opener

London restaurant openings continue apace. Within the last couple of weeks Momo, a new north African restaurant opened in Heddon Street, Mayfair (0171-434 4040), and next week Belair House (0181-299 9788) opens in Belair Park, Dulwich Village. In mid-May Conran Restaurants unveils its redesign of the former Bluebird

Garage, Kings Road, Chelsea, now a 288-seater restaurant, food store and private dining club. The obvious consequences are greater consumer choice, an acute shortage of quali-

fied staff and a huge boost for the classified advertising revenue of *Caterer & Hotel-keeper*, the British restaurant trade weekly. Less obvious is the emergence of a new career – the professional restaurant opener.

Since graduating with an economics degree in the early 1980s, 35-year-old Barry Isaacs has opened 15 different restaurants in London and Bristol. These have not been the multi-million pound investments that grab the headlines but middle-range restaurants, pizza, pasta and now sushi restaurants which have irrevocably altered the British high street.

The different roles Isaacs has fulfilled are, he admits, not at all glamorous. "Before opening, my time is spent interviewing staff; developing systems and standards; overseeing the physical transition of a building site into a restaurant; producing a financial overview and, crucially, costing and accurately pricing the menu for the anticipated market. There is invariably a long period before I can swap my laptop and spreadsheets for a set of menus and wine lists."

But this expertise can be invaluable according to Alan Lorrimer, proprietor of three Tiger Lill's restaurants in London. "In our restaurants I conceived that there would be 15 different combinations of Oriental food in a refrigerated display which the customer puts on their plate and then takes to the kitchen to be cooked."

"What I failed to realise and what Isaacs solved for me, through intuition and time and motion studies, is how long a customer might have to wait for a plate and how queues could develop in the kitchen as the chefs were cleaning their works rather than cooking." That Isaacs is still opening restaurants rather than living off the proceeds of those he has opened is testimony to the fact that while some restaurants provide handsome returns most do not.

Bristol where he was an equal partner (each had invested £20,000 with an unsecured loan of £100,000) he fell foul of one of the trade's more obvious pitfalls. "After six months I realised that my partner was really more interested in the social side of the business. I had to buy him out and worked for two years paying off the bank and creditors."

Having achieved this,

The kitchen produced excellent flavours: asparagus, oysters and thin slices of warm salmon

Isaacs believed his luck had turned. "We were asked to open the first Ed's Diner, a 30-seater hamburger bar on a wonderful corner site in Soho, and I was given a small share of the company. We opened three more in quick succession and before we could even catch our breath a major brewery opened £4m for the business. But this was the heady 1980s and the major shareholder could not be persuaded to part with a glamorous business. In the end I came away with nothing," said Isaacs.

"The biggest disaster I have been involved in was trying to salvage something from a restaurant called Surprise in the mid-1980s. It was founded by three media executives who jumped from the belief that there was nowhere to go for brunch to the conviction that they must open their own restaurant." It failed in spite of good pre-publicity.

There seemed no obvious lack of discipline where Isaacs and I were lunching. This was the Square which opened in St James in 1986

protracted move to Mayfair (495-7100).

On its second day, the kitchen was producing excellent flavours: a first course of asparagus, oysters and thin slices of warm salmon followed by brill with rosti and chanterelles.

Isaacs remarked on the restaurant's "remarkably lived-in feel, something you are continually striving for" although I noticed that its experienced manager, Andrew Carson, who had opened The Avenue, in St James's Street in December 1985, was definitely not smiling.

When I asked him why, he mentioned an aspect of opening a restaurant with which Isaacs fully sympathised. Carson says: "With enough time and money you can plan for everything. But then at the very last moment small details almost ruin it. Six telephone engineers are coming back this afternoon to sort out The Square's phones and faxes. They are still not right and no phones means no bookings."

At Yo! Sushi, the latest restaurant Isaacs has opened, an inability to process credit cards quickly enough has kept customers waiting too long.

And at Gabriel, a new restaurant in Golden Square, a dispute between the landlord and the council has meant that scaffolding has had to be re-erected, hiding Jonathan Putsman's £500,000

investment just after it had opened. (All these problems have now been resolved).

What excites Isaacs most, and will, he hopes, keep him in the job, is the continual chance to experiment and improve.

"I am convinced that the biggest obstacle to good service is tipping," Isaacs explained. "Between the customer and the waiter it is degrading and between waiters and chefs it can be divisive. For the first time I have now been allowed to create a scheme whereby everyone is paid a flat rate plus a skill bonus with three differentials. It is dependent on weekly turnover so it motivates the whole team."

While anticipating minor disasters, Isaacs outlined the basics. "Do not overextend. Ensure that the concept, site and management principles are sound. Do not invest in restaurant unless you can afford to lose it and most of all do not invest for ego."

He added: "Greed ruins most successful restaurants, sadly, and once restaurant I opened failed because the higher the weekly takings the more the partners wanted to take out. Soon there was nothing left."

This new profession has brought Isaacs more invitations to opening parties than he ever envisaged. It has also left him with one bad habit, he confesses: "Whenever I go into a new restaurant that I have not been involved in the first thing I do is turn over the cutlery and crockery to find out who made it in case I have missed something. It absolutely infuriates my wife."

LAYTONS
UNIVERSITY OF WINE
1996 BORDEAUX
FOR DETAILS OF OUR OPENING OFFER (DUE EARLY MAY)
CALL
DAVID BLAKE OR
SEBASTIAN THOMAS
TEL: 0171 388 4567
FAX: 0171 383 7419

CLARETS
VINTAGE PORTS
WANTED
We are looking for...
Please email: D.M.D.I.V.E.
or call: David & Wilfrid
WILKINSON WINNERS LTD
Fine Wine Merchants
Tel: 0171 272 1982
Fax: 0171 253 2643

The 1996 Bordeaux

We are one of the UK's top buyers of great Bordeaux. To ensure your priority copy of our 1996 opening offer call Kirsy Loftus on 0171-727 6846 or fax 0171-727 7133

John Armit Wines
5 Ropery Studios, 105 Lancaster Road, London W11 1JF

1996 BORDEAUX

No-one in the UK sold more en primeur 1995. We shall have the best allocations of 1996. Contact the proven market leaders. Phone or fax for our offer.

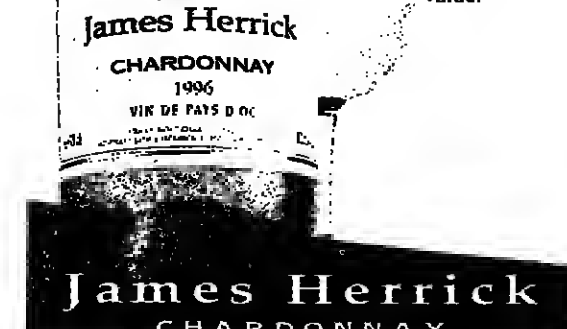
Tel. 0171 821 2000 Fax. 0171 821 2020



FINE VINTNERS

Enjoy Mediterranean sunshine, and exotic fruits and spices without leaving home.

In three of the oldest vineyards in the heart of Languedoc, James Herrick makes his beguiling Chardonnay. At your first sip, a wine traveller's map of the world unfolds. That upfront, citrusy freshness tells you of time well spent in Australia, the tropical fruits and spices on the middle palate of lessons learned in the hard school of California, while the wine's underlined elegance, power and length are as French as Chablis or Champagne. Open a bottle. First-class travel was never better value.



AVAILABLE IN THE UK FROM SELECTED WINE MERCHANTS. THE 1996 BORDEAUX EN PRIMEUR WINE FAIR, 105 LANCASTER ROAD, LONDON W11 1JF. THE 1996 BORDEAUX EN PRIMEUR WINE FAIR, 105 LANCASTER ROAD, LONDON W11 1JF.

مركز من النجف

How to Spend It

Less is better when pottering in your garden

Lucia van der Post looks at the latest obsession of the 1990s

In the postmodern garden, fuss and superfluity are out. Nevertheless, gardening has become one of the obsessions of the age, a new vehicle for displaying superior taste and moral judgments.

Whether focused on an urban plot or a rustic retreat, how you garden, what you grow and what is in your garden tell the world

more about yourself than you probably wish it to know.

When it comes to accessories, what the modern garden requires is less rather than more. But the trouble with less, as I have frequently bemoaned, is that what the less consists of becomes increasingly important. A lush profusion can mask a lack of quality but when

there is very little for the eye to alight upon the eye becomes a stricter, less indulgent judge.

For those who feel more comfortable with old-fashioned borders and jungle excess, whose tastes run to the ornate and the decorative, these are tough times. Minimalism seems to be moving inexorably into the garden.

Strong lines and

sculptural shapes are taking over from the sweet abundance that was the hallmark of the English garden.

As the better weather arrives, as spring gives way to summer, decisions have to be taken. So here for those who are pondering on what to do with patios, pools and lawns, is a collection of just some of the options around.

Clean and simple does it

For those who believe that plain and simple is best, Gloster is a name to look out for. It offers furniture with an English look - nothing fancy, nothing purely decorative, just clean lines and solid woods. The nearest Gloster comes to the curvy or the decorative is in the Marlborough, a wooden seat inspired by a traditional Lutyens design. All the furniture is made from timber - either American White Oak from what are described as "managed" sources in North America, or teak from another managed plantation in Java.

The furniture pictured right: the Rivo range of dining furniture costs £243 for the table, £279 for each chair (a carver is available for about £463). In the background is the Madison garden seat, which is £786. Gloster furniture can be found in a wide range of good furniture stores and garden centres.

For further stockists ring 0117-981 5335.



Harmony in conservatories

Amdega is one of the big names in conservatory design and those who are going to the Chelsea Flower Show should make a point of looking out for it this year. A large conservatory, three summerhouses and lots of pots and other containers show that both inside the conservatory and out can be linked visually by a varying arrangement of items.

Amdega has chiefly built its business on integrating the conservatory with traditional English architecture. In the belief that harmony is the secret of successful building and restoration. In keeping with this mood, it has developed eight new botanical paint colours. Choose from Iberis White, Stephanotis Cream, Nigella Blue, Eryngium Blue, Berberis Blue, Ilex Green, Hosta Green, Wisteria Lilac and Zinnia Red. Contact Amdega Conservatories on 0800 591523 for further details.

Photographed above is Wisteria Lilac.



Pots for all seasons

For the urban gardener, far more than for those with ancestral acres, the pot or plant container is usually the key to growing fine plants.

Almost every garden centre these days sells a fine collection but for those who are looking for something more individual the name of Svend Bayer is worth noting.

A fine potter, he is best known for making large planters and urns by a combination of throwing and coiling. He uses a wood-fired kiln so the colours of the glazes and finishes are not always predictable, making every pot unique.

At his home in Devon he has four large, wood-fired kilns, and readers interested in buying one of his special urns or containers can visit him there (Duckpool Cottage, Sheepwash, Beaworthy, Devon EX21 5PW but telephone 01409-231282 first) between 8.30am and 6pm.

Prices range from £187 for pots in his standard range - about 22in wide by 15in high - but the really large pots vary from £600 to £2,000 depending on the size, the quality of the glazes and the texture. These are usually made to order.

With another potter, Jonathan Garratt, who also uses a wood-fired kiln for his pots, Bayer will be exhibiting his pots at 60

Addison Road, London W14 from May 22 (open from 9pm to 8pm) through May 23 (from 10am to 8pm) to May 24 and 25 (from 10am to 5pm).

Garratt's pots are on the whole smaller than Bayer's and feature interesting textures as well as shapes.

He, too, has a pottery in Dorset - Hare Lane Pottery, near Wimborne, Dorset BH21 5QT (tel: 01725-517700) and readers who want to buy from the source and see the full range would be welcome to visit there.

A visit to the nearby Cranborne Garden Centre, Garratt tells me, would make a visit to that part of the world doubly well worthwhile.

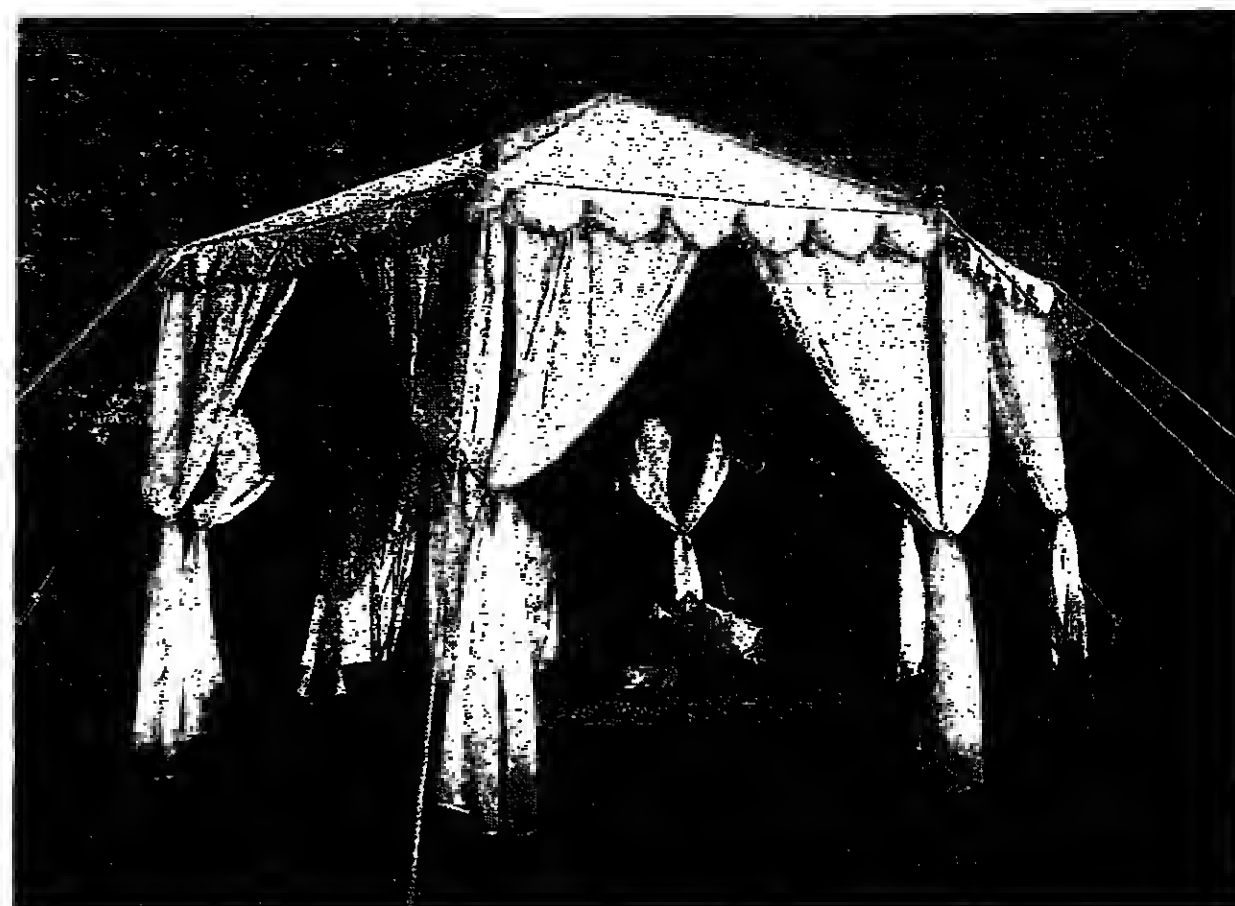
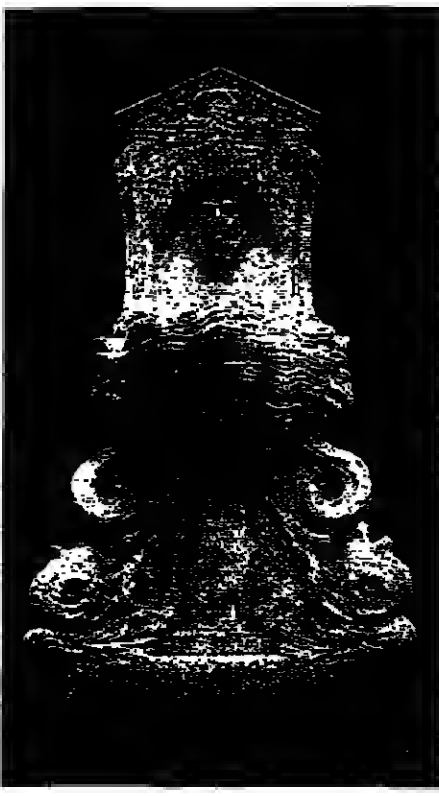


Grand statements

If you have grand manorial swards that need enlivening, or are looking for just one marvellous piece to grace your postmodern open-air space, then Dolf Sweerts de Landas could be your man. He is to gardens what Mallett is to the house - that is, he deals in the grandest, most imposing antique garden statuary and accessories.

For those who want serious pieces Dolf could happily oblige with an 18th century statue at around £100,000, or an 18th century fountain, such as the one photographed left. And for those who have hundreds rather than thousands in mind, he always has a selection of terracotta pots and fine urns. Just one of his elegant urns - and a particularly fine one costs around £3,000 - would provide a splendid focal point for a metropolitan plot.

The old interior designers' adage that it is better to go for fewer and more imposing rather than more and small is just as true for the garden as the house. One truly splendid piece is worth any number of its bitsy numbers. His wares are displayed at Dunsborough Park, Ripley, Woking, Surrey GU23 6AL. Viewing is by appointment only (tel: 01483-225366).



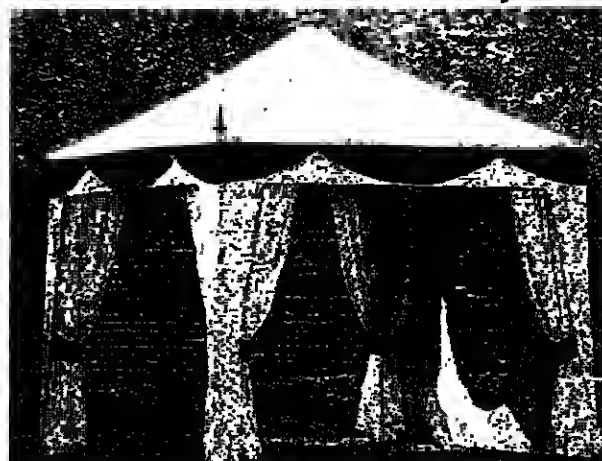
Celebrate with the tents that Rajasthan built

The tents that Clarissa Mitchell has developed for the Maharaja of Jodhpur will come as a revelation if your idea of a tent is the sort of thing that boy scouts cower in while dodging the rain.

A graduate of the Royal College of Art, Mitchell was asked by the maharaja to help him develop a range of products which would stimulate local crafts and skills as well as reflect something of the traditions of Rajasthan, where the maharaja comes from.

Tent-making is an ancient Rajasthani skill - great tented cities would be erected for weddings, durbars, expeditions and the like and, as Mitchell points out, making them uses almost all the traditional Rajasthani crafts. From dying and wood-hock printing to tassel making, carpentry, appliqué work, mirror work and embroidery, the tents are perfect vehicles for the region's skills.

The new tents were first used to house guests at the annual camel fair at Pushkar but since then Mitchell has developed a more versatile range of



It's curtains: Quadrilla's tent is simple and quick to erect

structures - from hammocks and small canopies to pool-side pavilions.

They are, of course, highly decorative, and have been taken up by several interior decorators who have used these tents inside existing rooms (the new Oberoi hotel in Jaipur, for instance, will feature a series of embroidered, tented rooms).

Tour operators also use them for tourists going to remote regions (they are particularly useful in fragile eco-systems, such as Namibia, where they do less damage than permanent

structures) or to islands. For the British market the most useful items are the hammocks and pergolas (which could be set up over a garden table to provide shelter from the sun or rain).

The tents would also make marvellous settings for celebration dinners, for dancing and feasting as in Mughal times, as well as providing an extra room.

The tents are made from natural cream waterproof canvas and are lined with cotton sheeting in a selection of colours and prints. A splendidly ornate

Mughal Tent, in the favourite colours of the great Mughal emperors - turquoise and Lapis lazuli - will be on show at the Chelsea Flower Show.

Small pergolas (from £310) and hammocks (£275) will be on sale at The Chelsea Gardener, Sydney Street, London SW3. Further details from The Raj Tent Club, 361 Lansdowne Crescent, London W11 2NT (tel: 0171-221 4273).

Less exotic, as they come only in the standard 10ft by 10ft size, is the Quadrilla tent designed by Richard Brooke. It folds down to a package measuring 4½ft high by 1ft square (which would fit into an estate car), and he envisages it being used as a garden canopy over an outdoor dining-table or as a poolside extra room either for eating or simply for sitting in.

The tents come in nine colours, each costing £3,300 without a back wall (but complete with dress curtains) - the back wall is another £375. Further details from Brooke Design, 33 Astonville Street, London SW18 5AN. Tel: 0181-874 5771.

L.v.d.P.



THE FINEST ENGLISH Cutlery

44 PIECE SET FOR 6 PEOPLE

Solid silver £1295
Silver plated £450
Stainless steel £300

15 ELEGANT DESIGNS

Smaller or larger sets available for immediate delivery direct from

United Cutlers
Peters Street, Sheffield S4 6LL

For a comprehensive choice of fine Cutlery, visit us at
Tel: 0114 243 3984 Fax: 0114 243 7128
www.unitedcutlers.co.uk

Or return this coupon to: United Cutlers
FREEPOST, Sheffield S4 7ZZ (no money needed)

Title _____ Name _____
Address _____
Postcode _____

BORDEAUX 1996

We specialise in the
Top Wines at Competitive Prices
We offer Reliability,
Expertise and Security

Contact:
Magnum Fine Wines PLC
43 Pall Mall, London SW1Y 5JG
Tel: 0171 839 5732,
Fax: 0171 321 0848

ALASTAIR HULL
"COLLECTED AT SOURCE"
TRIBAL KILIMS

Textiles, pottery, glass, jewellery and much more from
Abyssinia, Iran, Nepal and Tibet.

ELMS LESTER GALLERY
FLITCROFT ST, SOHO
2nd - 3rd floor
11am - 6pm
01353 46571

Les Echos

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world.

For information on rates and further details please telephone:
Toby Finden-Crofts on
+44 171 873 4027

John Donald
Jewellery • Design • Restoration

An exhibition
in celebration
of the emerald

1st to 30th May
Champagne daily 11am to 4pm.
120 Cheapside, London EC2V 6DR Telephone 0171-606 2675

Bordeaux

Wines

Wines

HOW TO SPEND IT

(From top left, clockwise)

Black strappy suede wedge heel, £215, by Ferragamo, 24 Old Bond St, W1, tel 0171-629 5007. Also available in chocolate brown, this elegant ankle-strap shoe with square wedge and fine straps across the foot sums up the look of the season.

Tiger print wedge mules, £140, by Armando Pollini, 35 Brook St, London W1, tel 0171-629 7606. Animal prints are very popular for shoes and accessories. These shoes are well made with a substantial vamp to prevent them slipping off the foot.

Leopard print shoe with wedge wooden heel, £255, by Dolce & Gabbana from Browns, 23 South Molton Street, London W1, tel 0171-491 7833. On a par with Prada in terms of desirability, Dolce & Gabbana's animal or floral brocade shoes look exquisite for evening - worn with a plain colour or a clashing print.

Navy patent wedge, £180, by Prada from Harrods, Knightsbridge, London SW3, tel 0171-730 1234. The choice at Prada ranges from gold evening wedges, delicate velvets and shoes with appliquéd wedges to this more substantial leather style. It looks very elegant on, and the cushioned, lightweight sole and wide straps ensure that it is comfortable to wear.

Pink suede ankle strap shoes, £215, from a selection at Gina, 189 Sloane Street, SW1, tel 0171-235 2932. Ranging from delicate floral prints to icy black leather or aquamarine velvet, Gina has some of the most beautiful versions of the wedge and platform shoe.

Drawing by Graham Marsh



Fashion Stacked high with elegance

Wedges and platforms are back, but not the orthopaedic shoes of the 1970s, says Karen Wheeler

Elegant is not a word normally used to describe the wedge heel. Along with stretchy tube-tops and sky-blue eye shadow, it is rarely found in the wardrobe of the well-dressed woman - regardless of whether or not it is in fashion. But this summer the unthinkable has happened. The wedge and the platform are back.

This time around, however, designers have produced shoes which are as elegant as the most dainty pair of Manolo Blahnik mules.

In the palest suedes, delicate sorbet colours, floral prints or opulent velvets and brocades, they come in simple, sculptural shapes and look more desirable than ever before. As you may have guessed, they bear little relation to the clumpy, thick orthopaedic-looking soles of the 1960s and 1970s.

And thanks to lightweight, flexible materials and cushioning, the best designs are surprisingly comfortable and not heavy or cumbersome to wear. This is important, says Aydin Kurdash, owner of Gina Shoes, since, "What makes a shoe sexy is how a woman walks in it and if she is in agony, the effect is going to be lost."

Like Manolo Blahnik's elegant but impractical stilettos, the latest wedge heels nonetheless merit the label "limo shoes". They are for special occasions rather than everyday wear and, while they are not suited to running around in the city, they look good for evenings, holidays or even weddings. Their revival owes much to the fashionable oriental look - many styles have wooden soles, for example.

Wedge heels also form the perfect counterpoint to the delicate chiffons and prints which are popular for summer. A heavier sole suddenly looks right. Prada's plush red or navy velvet wedges (£185), attached to the foot by three minimal straps, one around the ankle, is without a doubt the definitive shoe of the season.

Since it was shown with oriental jackets and chiffon skirts on the Prada catwalk more than six months ago, fashionable women around the world have been desperate to get their hands on a pair.

Other fine versions can be found at Salvatore Ferragamo, the Italian house which made platform-sole shoes high fashion in the 1940s. And anybody worried that wedge heels will be a one-season wonder can rest assured: Ferragamo has an even bigger selection for autumn/winter including gold evening wedges and a chocolate suede style, which is an exact replica of

one of its 1940s designs.

It is not just Italian shoe designers who are making wearable wedges. British label Gina - which specialises in slim, strappy shoes for the Princess of Wales and other smart society women - has gone overboard for stack-heeled shoes and has some of the prettiest styles and colours around. Gina created the wedge heels for the recent Amanda Wakeley show and reports that it has been struggling to keep up with demand ever since.

"High and medium heels, in ivory, pink or florals, have all sold very well," says Kurdash, who expects designs to get strappier as we get closer to summer. "Even our more traditional customers are wearing these. It helps that all of our wedges are attractive and stay on the foot. You only look like a fashion victim if you can't walk in them and

The latest wedge heels merit the label 'limo shoes'

the soles don't flex." There are several other pointers to ensure that you look elegant. First, choose a style where the upper is covered in the same material as the heel, and always check the rear view, since the best designs do not look like wedges at all from the back but stilettos.

Second, do not wear ankle-socks or, indeed, if they are open-toed, any hosiery at all. Third, do not be tempted to buy a cheap pair: the best styles all cost well over £100, the only exception is the baby-blue suede wedge shoe (£44.99) from high street store Next, which is pretty and wearable.

Since many of the prettiest wedge shoes are open-toe and attached to the foot in the most minimal way, it is a good idea to get your feet into shape first. If they have been particularly neglected, it is worth investing in proper chiropody rather than just a pedicure.

Scholl offers a treatment at its chiropody clinics around the UK for £25, which works wonders on any feet. When honed into shape, paint the toes in one of the pale, translucent shades or spring-green colours popular this season. A slick of Boots No7 Cucumber Crush, £4.50; Chanel's Double Blanc, £11, or Ironique (a pale pink) should do the trick.

Finally, wedge heels are flattering as they visually trick the eye into slimming the legs and ankles.

THE ONLY
THING
BOSNIAN
LAND MINES
HAVEN'T
STOPPED RUNNING
IS ADS LIKE THIS.

War in Bosnia, with all its fear, injury and death has now been replaced by peace in Bosnia, with all its fear, injury and death.

The reason for this, is the 4 million unexploded land mines that sow litter the former Yugoslavia. Currently they kill or maim around 18 children a week.

This is why at Children in Crisis, we're in the process of creating safe play areas, filled with climbing frames, scramble nets and basketball hoops, where children can run and play sports without worrying that they will come

to any harm. But to undertake this daunting task, we urgently need your help. So for more information on our invaluable work and to make a donation, call 0171 978 5001. (For as little as £10 per child, we can help create a safe play area).

Please give generously. Bosnian land mines can't stop this ad running. But you can.



children
in crisis

Charity reg. No. 1829483 C

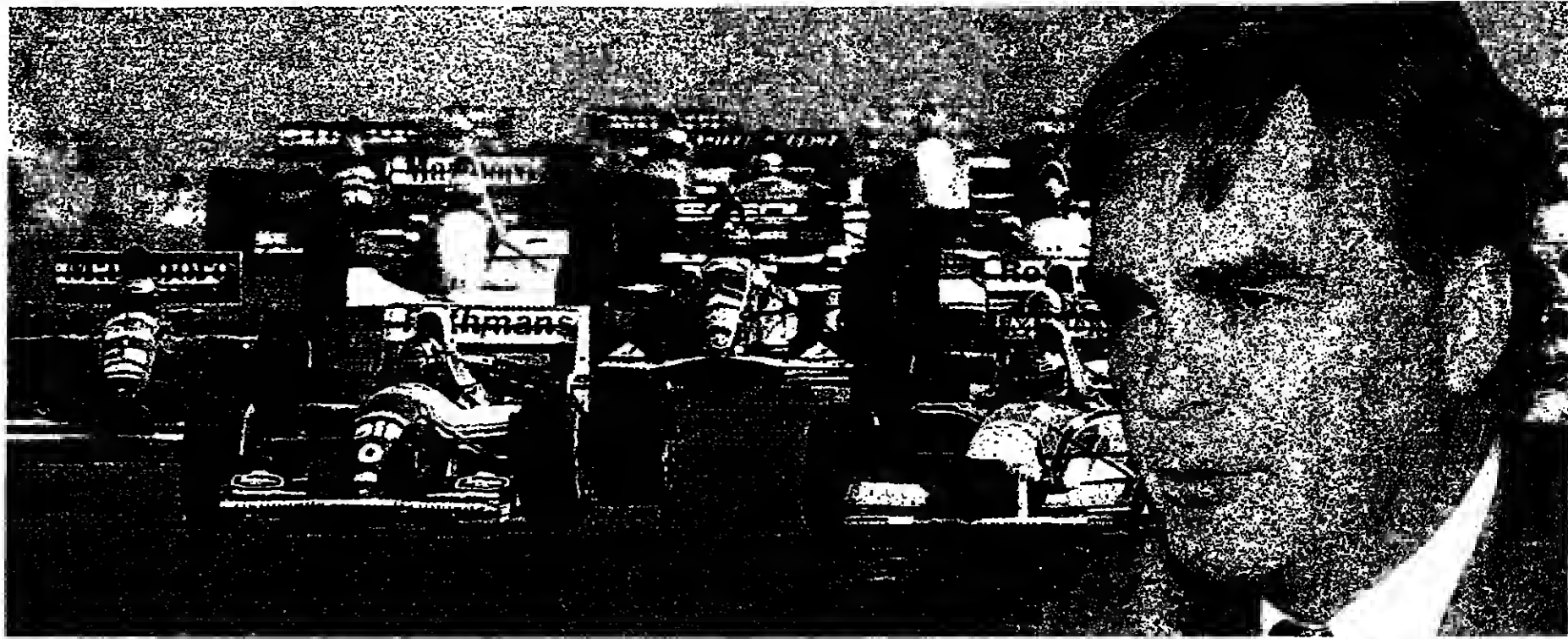
هكذا من الشجر

MOTORING

Max Mosley and the FIA

A voice for the world's drivers

Led by its British supremo, the body that controls motor sport globally is going all out to help Mr Average, says John Griffiths



Wheels within wheels...Max Mosley, motor sport's global chief, has done much to give the FIA a higher public profile and has embarked on a series of battles that may shape the future of private transport

Mention of the Fédération Internationale de l'Automobile (FIA) and Max Mosley, its president, usually conjures up images of grand prix cars and motor sport, of which the FIA is the world governing body. But bureaucrats at the European Union headquarters in Brussels, along with

politicians, car makers and the oil industry, are learning rapidly – and, potentially, at heavy cost – that it is much, much more than that.

Mosley – a barrister, former grand prix team-owner and son of Sir Oswald Mosley, a one-time controversial, right-wing British politician – is placing the FIA increasingly in the thick of some strategic, transport-related battles that are very far

removed from the world's race tracks.

These battles – on the industrial, commercial and legislative fronts – already are having an impact on millions of private and business motorists in terms of the safety, fuel efficiency, environmental cleanliness and even the running costs of the cars they drive.

The FIA's influence on their outcome is no less pivotal for having been applied mostly behind the scenes. Now, however, both it and its work are becoming more visible as a matter of policy – as, arguably, they should.

For, as the umbrella body covering the motoring organisations of 143 countries, it is – or certainly should have been – the voice of more than 100m individual motorists worldwide in international debates about

the future of private transport.

It is now nearly four years since Mosley, showing the tactical skills which some colleagues insist will see him entering mainstream politics eventually, staged an adroit electoral coup to dislodge the extrovert Jean-Marie Balestre, who treated the organisation's elegant Paris headquarters as a per-

sonal fiefdom, did much to raise his own profile during his years in power. But although always keen to share the winner's podium with grand prix drivers, he confined himself to gesture politics when it came to the FIA's potentially significant role in transport.

Mosley is no personal toad-pumper. But he has moved decisively to push the FIA towards a higher public pro-

file as well as acquiring the capability for in-depth technical analysis.

Both have been needed to provide the organisation with legitimacy and gravitas for its drive to the forefront of crucial debates about motoring and mobility – matters that affect all drivers.

Some examples. In July, the European New Car Assessment programme (EuroNCAP), a consortium including FIA, the UK Department of Transport, and International Testing (an association of 21 European consumer organisations) will publish its own crash tests for Europe's leading family cars. These are likely to generate as big a furore as NCAP's supermini tests earlier this year in which some cars, including Rover's 100, fared very badly indeed.

The industry, led by the European Automobile Manufacturers' Association (ACEA), protested angrily that the tests – conducted at 64kph (40mph) – were "unfair" because the present official test speed is only 50kph (31mph) and stiller legislation next year still will require only a 56kph (35mph) impact.

Mosley, NCAP's chairman, is unimpressed. "We felt like saying to ACEA that, if car-makers didn't like it, they should put stickers on their cars saying: 'Please do not crash this car at more than 56kph...'"

"More than ever before, safety is selling cars. The 'official' crash tests do set a basic benchmark. But just as there are some people who like a car with the right colour, or that goes fast, the NCAP tests provide something extra for consumers for whom safety is of overriding concern – and for those carmakers who see safety design as a market opportunity."

While reluctant to say so itself, the FIA largely was responsible – through its intensive lobbying in Brussels – for the substantial increase in the severity of next year's official crash test standards. According to estimates by the UK Department of Transport, deaths and severe injuries would be reduced by 90,000 a year if all EU cars met the new standards.

Meanwhile, the FIA also is battling on two other main

fronts: with some major car-makers over on-board diagnostics (OBDs), and with Europe's oil industry over exhaust emissions.

OBDs may sound especially boring but they are of huge significance to makers, motoring organisations and ordinary drivers alike. With engines, gearboxes, brakes and other systems coming more and more under electronic control (as will be automatic collision avoidance and so-called intelligent cruise control, plus other innovations, within a few years), fault diagnosis increasingly must be performed by computer plugged in to the car's control circuits.

In Europe, however, some carmakers and their dealers see OBDs as a potential gravy train. They reason that if they can ensure that only their own approved equipment can be used, owners will not be able to go anywhere else for service and repairs.

The FIA opposes this

ferely. Earlier this year, it told European Parliament members that there are around 15m car breakdowns in Europe each year. Of these, 15 per cent involve electronics. It is crucial, the FIA says, that roadside rescue services, such as Britain's AA or RAC, can "plug in" as well.

It points out also that, with competition from independents blocked, motorists would pay more for repairs. And thousands of small garages might eventually be forced to close.

In fact, the battle might almost be won. In the US, federal laws enacted last year have made OBDs accessible to anyone – and European makers with US sales are complying already. So much for the "technical" difficulties which other European makers have cited.

The OBDs' issue now has become part of European Parliament amendments to an EU Commission draft

The FIA is spending £50,000 on planting trees in Mexico to absorb CO₂ emissions

directive on vehicle pollution and air quality standards. So, too, has another matter on which FIA lobbying has been equally hard – exhaust emissions.

The FIA has demanded that a "cold start" element be incorporated in emission tests (exhausts are at their dirtiest in the 40 seconds or so before a catalytic converter warms up). Yet another amendment calls for converter systems to last for 160,000km (100,000 miles) as in the US, not the EU's 80,000km.

But the FIA sides with car makers in demands that the oil industry must play its part by adapting their refineries to produce low-sulphur, low-pollution fuels. The industry claims the costs of complying are too high and that the solutions must be found within the car.

Mosley does not intend the oil men to win the day. This also is part of the parliamentary amendments, which could be approved by the Council of Ministers by the end of the year.

Already, however, new targets are being lined up, some highly innovative. The FIA is spending £50,000 on planting trees in Mexico. According to David Ward, director-general of the Brussels bureau set up jointly by the FIA and its sister body, the Alliance Internationale de Tourisme (AIT), these trees will absorb the equivalent of all the carbon dioxide generated by grand prix motor racing in a season.

On a much larger scale, the FIA claims an initiative like this could be the cheapest and most enduring solution to global warming.

That Mosley is revelling in his wider FIA role is not in doubt. His love of motor sport still runs deep – he was a more than passable single-seat driver – but his time devoted to racing is under 50 per cent and declining, and he concedes: "I do find what we've been doing in Brussels more interesting than the sport, simply because it really matters to a huge number of people who are not, unlike motor racing, volunteers."

But as a precursor to politics? "I don't think so. In a way, the job already is a very political one and, for anyone interested in that, it's already very satisfying. Besides, you can actually influence events when you've got 100m members."

International financial news from a European perspective.



FINANCIAL TIMES GROUP



If you need to know what's moving Europe's markets, you need AFX NEWS, the real-time English language newswire that gives the latest international financial and corporate news. With the resources of owners and partners, the Financial Times Group and Agence France-Presse to draw on, you know AFX NEWS will always be relevant, reliable and right. And it's available to you on-line through

most major market data vendor systems, deliverable across your network to your PC or workstation. AFX NEWS has reporters across Europe and in other key markets feeding over 500 news stories a day direct to your system. So, for independent and succinct reporting on economic, corporate and market news, contact AFX NEWS direct or your local vendor today.

FOCUS ON FINANCIAL EUROPE
A JOINT-VENTURE OF FINANCIAL TIMES GROUP AND AGENCE FRANCE-PRESSE

AFX NEWS 15-17 EPWORTH STREET, LONDON EC2A 4DL (44) 171 253 2532
FAX (44) 171 490 5007 EMAIL: AFX.SALES@FT.COM AND NEW YORK, USA (212) 641 2418

been death.
the last...
children in crisis

PROPERTY

The break in the weather has revived gardeners' spirits and the return of a measure of rain has made the whole pursuit seem possible. I have already seen roses fully open in April, culminating in an unwise bloom on the excellent old pink Isphahan which has been greeting the start of the university term.

There never was such an April in Britain and for once T.S. Eliot was right: we lived through "the cruellest month/Breeding lilacs out of the dead land". I have never seen lilacs in an English April and previously assumed that like most poets, he was a botanical liar or thinking vaguely of the Mediterranean.

If the dry weather in England really has relented, we are just in time for seed-sowing outdoors. Throughout dry April, it was the opportunity which I most regretted. Well-chosen sowings in late April are the easiest way to enliven a garden in late summer. The job is easy and if the soil is slightly damp, I urge you to attend to it in the next 10 days.

All you need to do is clear away weeds, scuffle over the surface of the soil to a depth of a few inches, and make some straight, shallow seed drills to a depth of about half an inch with the help of a garden rake. You hold the rake with the teeth facing upwards and outwards, away from you and then press the straight edge of the head nearest to your feet gently into the soil at a slight angle so that you make a shallow, straight trench.

Into this slot, sprinkle the contents of your chosen packet of seed. Flatten the earth back over the shallow little trench, or drill, and pat it gently with the flat surface of the rake's head. If the soil dries out again, water the sown area from a can fitted with a fine rose, in a fortnight or so, the seedlings will come up and you can thin them out so they are left about 6in apart. You can cover a wider area by setting your little trenches about 9in apart and if you vary the angle of their straight lines, you will end up with rows which are not too formal.

What, then, is a good



Poppies in bloom: sow California Poppies now for a late summer flourish

Garden Picture Library

Gardening

Sowing the seeds of summer colour

Now is the time to fill border gaps, urges Robin Lane Fox

choice for the job? Every year, I grow and recommend the tall, easy Corn Cockle, or *Agrostemma*, which responds well to direct sowing in early May. It is a graceful plant but has the advantage of growing up to 3ft in height and finding a living among taller, thicker border plants. I am also traditionally fond of the Californian Poppy or *Eschscholzia*. Forgive the name, because the pale form called Milky White is very impressive and the small, lesser known *Caespitosa* sundew is an absolute winner, growing in any small space and showing lemon-yellow flowers at only 6in tall. These poppies and others are best in sunny soil where the flowers will open and as they dislike disturbance, they are ideal for sowing directly in drills.

If my prose description of the use of a rake is still puzzling you, opt for nastur-

tiums and forget it. The big seeds can be pressed directly into damp soil where you want the mature plant to stand. They will germinate freely in May so long as they do not dry out. They then grow and flower, reaching their marvellous peak in August. I am keen on the new Nasturtium Whirlybird Cream which is conspicuous for its cream-yellow semi-double flowers. Thompson & Morgan of London Road, Ipswich, are offering seed and if your local garden centre has sold out or has only the usual miniature shades of orange, you can fax T&M on 01473-680199 for an express order.

The Whirlybird varieties are compact and short, but not unbearably so. You will also want the very long trailers and climbers which will spread to up to 6ft. They are also offered widely and feature in Monet's garden at

Giverny, where they spill over the central *allée*. I must, however, repeat that good nasturtiums depend on adequate water.

Evening primroses are as good as they sound and whether or not you believe in their health giving virtues, you could not fail to grow and like *Oenothera* Lemon Sunset, another speciality of T&M. It grows to 3ft and fades from soft yellow to a shade of red. It is a great asset in the middle-to-back rows of a border which needs brightening later in the season. The seeds are easy to grow and the plants do not object to a hot season.

My other standbys for immediate action are rather smaller. The wild Five Spot, or *Nemophila maculata*, makes an unending mat of leaves and flowers which are a pale blue-white marked by a darker blue spot. This plant is successful in dry

conditions and I bless the day that it was re-introduced.

The crimson *Flanders Poppy* is another flower with a black spot, but it has a longer history in gardens and is strangely ignored by many people who want something bright and easy at short notice in the front row. T&M sells it by its true name of *Papaver commutatum*. I am never without it for long.

The best of these varieties are not often on sale in the seed racks in local shops. Do make the effort to order them, even at this late date. Every year, I bless the reinforcement of these easy flowers and others because we never know what gaps will suddenly open or seasonal tricks will be played among the perennial varieties in borders. Adapt the old saying: sow in May and go away.

On the Move

Cash to spare in the country

Recovery in prime markets is being confirmed throughout England, says Gerald Cadogan

One out of five people selling prime country houses in the UK goes to market because the home is too large, reports Savills' Residential Research Bulletin.

It is these people who might buy in France ("trading out" rather than trading down) because they will have capital to spare from their sale in England. They are found mostly in Surrey, East Anglia and Oxfordshire, Savills notes. The latter are two of the areas outside the home counties, along with Yorkshire, that have seen above-average price increases.

Prices for prime properties in the home counties rose by nearly 17 per cent in 1996, against a national average of nearly 12 per cent. A fifth of the buyers were people moving out of London, cashing in on the prime market.

Figures from Bidwells confirm the recovery in East Anglia, although the region still offers more house for your money than Hampshire, for example. A typical five-bedroom village house of age and character, in one acre, now costs around £320,000 in the Cambridge area (against £270,000 in 1995), and £310,000 in 1996). Near Bury St Edmunds and Norwich, it is now around £255,000 and near Ipswich £230,000.

The sharpest recent increases are around Northampton, where a typical house costs around £300,000, against £250,000 in 1995.

Villa ideas

Danson House is a superb Palladian villa at Beley, built in the 1760s by Sir John Boyd, merchant



Peayotts Mill House still features a 330-ft-long great hall

and director of the East India Company, who commissioned architect Robert Taylor to design the reception rooms.

The music room and dining room with bow-fronted bays, and an octagonal drawing room, are set around an oval staircase with an Ionic colonnade.

Building the house and business losses in the American War of Independence, cost Boyd dearly. In the 1770s, he had to take out a mortgage and, when he died in 1800, his son Sir John II sold some of his paintings.

He sold the property in 1805. In 1923, it came into the hands of Beley Council, who used it for various purposes, and opened it to the public until the 1970s.

English Heritage then put it on the Buildings at Risk register and in 1995 bought it to return it to its original glory. EH has re-roofed the building in Westmorland slate and cleaned the stone-work. Inside, restoring the smart gilded, painted and plastered decoration of the main rooms is under way.

But what next? Through Knight Frank (0171-629 5171), EH asks for offers and suggestions for taking Danson on a long leasehold.

The new occupants must allow some public access

(since EH will have spent £1.75m of public money on it), finish the redecoration and expect to face an interviewing board.

Catholic tenancy

Interviews also await candidates for renting Little Clarendon, a 16th century house listed grade II* in the village of Dinton near Salisbury. The National Trust is looking for a tenant for an assured shorthold with a rent of more than £1,900 a month, and some public access. Inquiries to Woolley & Wallis (01722-424535).

Under the terms of the gift to the trust, the tenant must be a practising Roman Catholic. Next door is an RC chapel. The tenant will have to hold the keys and the vestments, and prepare the chapel for mass.

The spring bulbs at Little Clarendon are splendid, as it belonged to a daffodil grower, George Engleheart, whose wife gave it to the trust in 1941.

All the rage

A little younger is the 1600 Peayotts Mill House, also grade II*, at East Coker in Somerset (of T.S. Eliot fame, and where the poet is buried).

The miller was successful enough to build himself a tripartite mansion shaped like a capital E - the fashion of the time. Then came the civil war, when Cromwell's soldiers destroyed two arms of the house.

It still includes the 300-ft-long great hall and its Han stone fireplace. This unusual relic of 17th century history, restored by its architect owner, is on offer from Clacksons (01749-678025) or Suttons-Stops (01938-474066) for £295,000.

CALLIARD HOMES

& ALBANY HOMES INTERNATIONAL PRESENT

LUXURY LIVING ON THE RIVER THAMES AT TOWER VIEW WHARF

1 BED APT. PRICES FROM £129,000

2 BED APT. PRICES FROM £189,000

- Some apartments with stunning river views
- Many apartments with balconies and terraces
- Concierge • CCTV
- Video entry system
- Secure underground parking

• 10 year NEBC

• 999 year leases

• Superb shops & restaurants at South Wharf

• Jubilee Line extension at London Bridge & Bermondsey (opens 1998)

† at additional cost * system is rented and forms part of the service charge

1, 2 & 3 BED. LUXURY APARTMENTS

OPENING WEEKEND 10.30AM-5PM SAT 10TH & SUN 11TH MAY 1997

For convenience, Independent Financial Advisors and Solicitors will be in attendance during the Open Weekend

SALES OFFICE & SHOW SUITE OPEN 7 DAYS 10.00-5.30PM THE CARDAMOM BUILDING, 31 SHAD THAMES, LONDON SE1

TEL: 0171 378 0474

CALLIARD NATIONAL ENQUIRIES FREEPHONE: 0800 42 12 26

INTERNET: www.propertyfinders.co.uk/towerview

SAVILLS

INTERNATIONAL PROPERTY CONSULTANTS



INVESTMENT/DEVELOPMENT OPPORTUNITY
Manheim Quay, Swansea, West Glamorgan
Leasehold interest of 43 substantially completed residential apartments and a development site with consent for a further 64 apartments.

For Sale by Informal Tender
Closing Date for bids and final offers Tuesday 10th June 1997
Contact: Richard Rees/Nicola Carr
e-mail: richard-rees@savills.co.uk

SAVILLS International Property Consultants

STRUTT & PARKER

Cambridgeshire 603 Acres



A Good Quality, High Yielding Investment Opportunity in The Fens
53,000 sq. ft. of ambient and refrigerated cold storage.
598 acres of drained Grade 1 Fenland (596 acres IACS eligible)
3 bedroom bungalow
About 603 acres (244 ha)
Subject to a 20 year Farm Business Tenancy with a gross annual rent of £130,000
London office - Tel: 0171 629 7282 Fax: 0171 489 2359
Norwich office - Tel: 01603 617431 Fax: 01603 619948

HAMPTONS

WEST SUSSEX/HAMPSHIRE BORDER
Charming country cottage ideal as a weekend retreat. 2/3 beds, 2 reception.
Delectable garden. OIRO £155,000
Lipbrook Office. Tel: 01428 722631

KENT, LONDON 80 MILES. Large ground floor in Listed country house, fully modernised. Own patio. Accessible, near amenities. secure. £350,000. Tel: 01304 360882

IRISH COUNTRY HOMES Personal nationwide house search service Tel: 00-365-1-260999 1 Fr - 950

SURREY

W SURREY Nn GODALMING
New 2 apartment in convenient setting. Facilities include flexible service, central heating, 30 acres grounds, security gates, garage, fitted kitchen. For Sale £180,000
Tel: 01753 6276 (T) Tel: 01753 6276 (F)

W SUSSEX
60 acres, long low 16th Century house. 5 beds, 3 baths, 3 large reception rooms. Situated on a quiet lane with a lovely view. 30 acres grounds, security gates, garage, fitted kitchen. For Sale £250,000
Tel: 01403 741393

SMITHS GORE

YORK

York 6 miles - Leeds 26 miles (Dinner's approach)



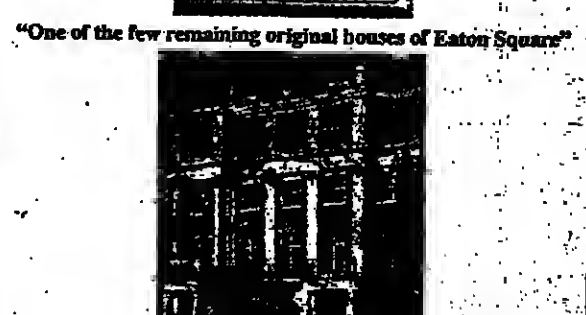
Grade 1 Listed
A Restoration (1680) Mansion of manageable proportions.
"A perfect example of the best kind of house that English Architects have produced" (Country Life - 17 June 1992)
Reception hall, 3 reception rooms, study, breakfast room, usual offices.
3 principal bedrooms, 3 further bedrooms, 3 bathrooms.
Coach house, stables, outbuildings, walled garden, park and pastured.
IN ALL ABOUT 27 ACRES

YORK OFFICE Tel: 01904 655002

LONDON PROPERTY

EATON SQUARE

"One of the few remaining original houses of Eaton Square"



A fine and substantial Grade II* family house retaining all its original features and extending to approximately 10,000 sq. ft. (8,700 sq. ft.). The property is situated on the preferred North side of Eaton Square and has been in the same family for 70 years.
LEASEHOLD

FAREBROTHER

1 Pemberton Row, Fetter Lane, London EC4A 3ET
Telephone: 0171 405 4545 Fax: 0171 404 4382
Established 1789

HOMESEARCH LONDON

Let us search for you. London's No. 1 specialist search company.
Tel: 44 171 838 1095
Fax: 44 171 838 1077
www.homesearch.com

BUYING RESIDENTIAL PROPERTY

to let produce high returns. Capital required from only £250,000. SENATE INTERNATIONAL provides a complete package service for: LONDON Tel: 0171 408 2444 EDINBURGH Tel: 0131 228 5555 CAMBRIDGE Tel: 01223 300012 OXFORD Tel: 01865 850002

CHESTERFIELD GDS, LONDON W1

Attractive 3rd floor flat, off Curzon St. Newly refurbished & redecorated. Close aspect. Living rm, 2 bedrooms, single bedroom, H, bathroom, kitchen. Available for lease. £250 per week. Tel: 0181 847 7851 Fax: 0181 870 7057

Quiet Islington Square

Freehold house on four floors with off street parking and large garden. 4/5 bedrooms. 1st floor reception, 2 bathrooms.
Excellent value. £445,000
01747 875966

Magnificent secluded detached property with view to St Paul's Cathedral.
PB 2-double bed main bedroom.
N16. GCH. Garage. 12m x 10m. City. Vic & Pk. Under 10 mins to tube.
984-year lease. Shant of garden.
£79,000. Tel: 0181 802 2953

مركز من النجيل

WEEKEND FT XVII

TRAVEL

LITERARY LEANINGS? You too could write a Gothic novel in a day if you attend a workshop run by the Brontë Parsonage Museum in Yorkshire, one of numerous events celebrating the 150th anniversary of publication of *Jane Eyre*, *Wuthering Heights* and *Agnes Grey*, on June 20-22; details on +44 01535-642323. Elsewhere in Britain, manuscripts and possessions of Thomas Hardy go on display in July for the first time in a new gallery at the Dorset County Museum, Dorchester; call 01305-262735. Fowey, in Cornwall, hosts a Daphne du Maurier festival from May 9 to 13; Countrywide Holidays (0161-448 7112) will be hosting the main marquee.

GUM FLY WITH ME: Swissair has banned smoking on transatlantic flights but will give free Nicorette nicotine-substitute chewing gum to passengers who want it.

OUTBACK OPERA: Kiri Te Kanawa performs with an aboriginal women's choir in remote Belahne (pop: seven), a settlement in the Flinders Ranges three hours north of Adelaide, in the unique Opera in

the Outback festival from September 18 to 21. Luxury (and other) tents available; jazz festival, wild goat races and a bush gymkhana are among the attached activities. Bridge the World (+44 0171-734 7447) is the only UK agent.

WEATHER AND WHEN: Will I need an umbrella in Cairns in March? (Probably.) A guide to



the world's weather for tourists, *Weather to Travel*, gives statistics, maps and comfort ratings for 205 countries. Sponsored by PowerGen, and available from 0181-766 6540 for £6.99.

REBIRTH OF A NATION: US Civil War battles will be refought in non-aligned Essex (Park Farm, Herongate, Brentwood) in the UK. Fighting begins at noon on May 4 and 5, with attacks on a Union fort. Staged by the North and South Association (+44 01276-504316) with infantry, cavalry and artillery. Yankies, Johnny Rebs and innocent bystanders welcome.

LIGHT MUSIC: A candlelight vigil on August 15, 20th anniversary of the king's death, will be the highlight of Elvis Week - August 9-17 - in Memphis, Tennessee. Elvis Presley's Memphis nightclub, on the site of a shop where he bought his clothes, will be opened; and for the first time, his parents' bedroom will be on show at his Graceland mansion. Must try the fried peanut butter and banana sandwiches - his favourite. Also in town, until September 30, an exhibition of memorabilia from the Titanic.

ON LOCATION: Visit UK National Trust sites used in film and television: busy Lacock village has been in *Emma*, *Moll Flanders* and *Pride and Prejudice* in the last two years. Try Compton Castle (Sense and Sensibility), Cliveden (Carrington), Ashridge Estate (an ancient English village built for First Knight). These and many other themes are on a new map; call +44 0181-315 1111.

MINI-BREAK: Three nights in Kasteelje Hattum, the smallest Dutch castle, start at £219. Surrounded by moat and woods, it has just eight rooms. Call Amsterdam Travel Service, +44 01992-458056.

READY FOR TAKE-OFF: From this month, travellers to St Omer in northern France will be able to visit an underground V2 missile bunker, built as a base for the planned German invasion of Britain in the second world war. It is being transformed into

La Coupole, a museum with displays on Nazi war plans, occupied France, and the life of allied prisoners of war. Tel: 00-33-3-21 93 07 07.

CANAL DE LUXE: Cruise Britain's canals the easy way, in a moving hotel. H & H Narrowboats (0171-272 0033) provides crews who cook and sail and bring you coffee in bed in the morning. You can lounge in the glazed observation room or stroll along the tow path. From £230 for three nights.

FLOWER POWER: Experts and beginners can attend a masterclass in flower painting at Reid's Palace Hotel, Madeira, from May 10 to 17. Study light and tone, form and texture and visit gardens and tour the island. The masters in question are Dr Shirley Sherwood and Coral Guest; price £1,300/£2,200 excluding airfare. Details on +44 0171-805 5059.

ON THE MOVE: World

Tourism Organisation predicts a tourist boom: from 592m international arrivals globally last year to 702m in 2000 and 1.6bn in 2020. More people travelling, more often, and more long-haul flights.

TIME FLIES: Shuttleworth air show will be held tomorrow at



Biggleswade, Beds; call 01757-627288. Europe's biggest collection of flying pre-1940 aircraft, period vehicles and costumes, and the Crunchie Team Wing Walkers.

THAR SHE BLOWS: Whale watchers in Iceland increased

nearly 300 per cent last year, and in Husavik village recorded a 98 per cent success rate in mostly minke whales. Cover the World (01737-2188) offers packages from £675 four days and includes mudpool visits.

NATIONAL MILLS RY is May 11 in which 400 t. mills open to the public. Stay some with Country Holidays: 01282-445065.

DRAM RIDE: The Stith Whisky Association (011-222 9235) offers a free guide to Distilleries Which Welcome Visitors.

BATS, Rubens texts, lace and chocolate moulds are all subjects of exhibitions in Flanders this year; data from the Belgian Tourist Office, 0171-629 3977.

ROYAL WELCOME stay at a Heritage palace in north-west India, often with minor valley still in residence, with Irian Magic (0191-427 4848).

GLASGOW TO LONDON with Ryanair (+353 1 807800) from £19: lowest ever, says.

John Westooke



Children keep an eye on the camera: 'Almost everyone lives at subsistence level. The occasional shiny, new Audi or Mercedes you see on the streets of Paramaribo, the capital, belongs either to a government minister or a narcotics dealer'

For Qing/Pia Pictures

The constant struggle for survival

Adrian Gardiner visits the republic of Surinam, a former Dutch colony and an ethnic melting pot

"The climate, Sir, the climate will kill you."

His was the advice given to John Stedman, a Scots Guards lieutenant serving with the Dutch army. He went out to Surinam in 1773 to quash a slave revolt. His journal, delayed by arguments with the "Demon of Hell" (his publisher's editor), came out in 1790. An abridged version appeared 200 years later.

The colony, then known as Dutch Guiana, was evidently not for wimps. No one warned him about the hosts of creepy-crawlies which were the true denizens of that land. "Mosquitoes, mumps, typhus, cholera, and scabies, common ants, fire ants, horseflies, wild bees and spiders, prickly heat, ringworm, dry gripes, putrid fevers, boils, consocia (a mycosis), bloody flux (dysentery), alligators, snakes and jaguars... but I have said nothing yet of bush worms, large ants, locusts, centipedes, scorpions... the cras-

sy-crussy (scabies), yaws (cutaneous leishmaniasis), leishmaniasis, leprosy and dropsy... besides 1,000 other grievances."

Three centuries of Dutch rule ended in 1975 when the country became a republic. Today most of Surinam's 500,000 population live along the coastal strip in an ethnic melting pot of Indian Hindus, Javanese, Chinese, descendants of Dutch planters, Guyanese and Portuguese Jews from Brazil.

For the Surinamer in the *strait*, the price of independence has been high. A corrupt military dictatorship ruled in the 1980s and the Netherlands suspended foreign aid. A fall in world bauxite prices - aluminium products constitute 70 per cent of export earnings - plunged the country further into economic chaos.

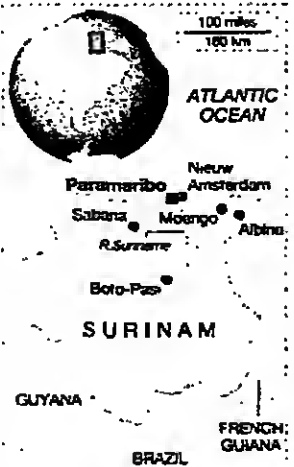
Inflation runs higher than the official 50 per cent. A few years back the Surinam guilder was pegged at 1.78 to the dollar. Now, on the black market, a US dollar buys from 600 to 800. People leave worthless change behind on shop counters. Stamps are

no longer printed. You get your letters franked at the main post office, where the rate changes daily. Almost everyone lives at subsistence level. The occasional shiny, new Audi or Mercedes you see on the streets of Paramaribo, the capital, belongs either to a government minister or a narcotics dealer.

Not the ideal place for a holiday? Surinam has its charms. Stedman found a strange enchantment there, and was sorry to leave. His river expeditions were botanically and zoologically fascinating. What annoyed him most was the contrast between planter opulence and slave misery.

Paramaribo, or "Parbo", is a third-world shanty town of gold and silversmiths' shops, roti stalls, slums, and a handful of beautiful 18th century Dutch colonial buildings. Many are of white-painted wood on foundations of brick brought as ballast on cargo ships.

On Gravenstraat, the cathedral - said to be the tallest wooden building in South America - is closed for repair. It is scheduled to



reopen...marrion. Opposite the Bishops' Mansion gleams, and on Independence Square the presidential palace and ministry of finance are pristine. So is the Corner House, the headquarters of the Alcoa (Aluminium) Company. But churches are the capital's architectural treasures. There are around 30, including a glittering mosque next to the synagogue. The waterfront is the busi-

est area of Parbo. A thousand stalls sell exotic fruits and vegetables: passion fruit, pineapples, *sopropo* (like cucumber) and *kayian* (Chinese leaves). The fish section has *kandratiki*, a popular salt-water fish, and piranha the size of flounders, muddy brown with mouthfuls of vicious teeth. (They didn't stop Stedman from swimming in the rivers; he claimed it was safe so long as you kept moving.) There are human piranha around the market too. A white skin is conspicuous and it is most unwise to wear jewellery or an expensive watch.

Of interest to European visitors are the Bushnegro villages, an hour inland from the capital along roads brick-coloured with bauxite dust. Tiny, black children, mesmerised by their first sight of a white skin, have eyes like satellite dishes. Houses are windowless, built of wood with a thatch of palm leaves and a fireplace under a canopy.

Old rites and customs survive. Female circumcision is no longer practised; a symbolic operation is carried out

on a peanut instead. Puberty is also marked by placing a cloth full of jungle bees (the size of hornets) on the unfortunate girl's back. She is not allowed to show distress; perhaps the logic is to prepare her for the pain of childbirth. Other macabre practices recall Stedman's tales of torture and brutality.

Surinam promotes "green" tourism. There are organised excursions by small aircraft to Palumeu, an eco-village run by Amerindians in the rainforest; canoe trips on the Mahika rapids; and treks up Mt Kasikasima on the Brazilian border.

I took a canoe (*krojoera* in Sranan, the *lingua franca*, *kajana* in Dutch, the official language) across the mile-wide Suriname river to Nieuw Amsterdam. The fort and prison were well-established by Stedman's day. The prison was still in use 15 years ago and traces of the inmates' graffiti - "Elvis is King" in Sranan, for example - are oddly moving.

Outside, rusting cannon lie under mango trees, a rusting lightship lies in a

manrove swamp, and the royal state funeral carriages are feeding the termites. Adding to the desolation are the remains of a group of statues, looted and vandalised by guerrillas in the 1980s.

I wandered the streets wondering if life in Surinam has changed much since Stedman's time. Crassy-crassy and yaws may have been eradicated, but the country has other problems.

Hardly a week passes without some civil disturbance: pickets outside schools, blocked roads or bridges. "The government dares not send in the army," I was told. "In case they provoke full-scale civil war. Meanwhile the people starve while government ministers live in big houses and send their children to private schools in Holland."

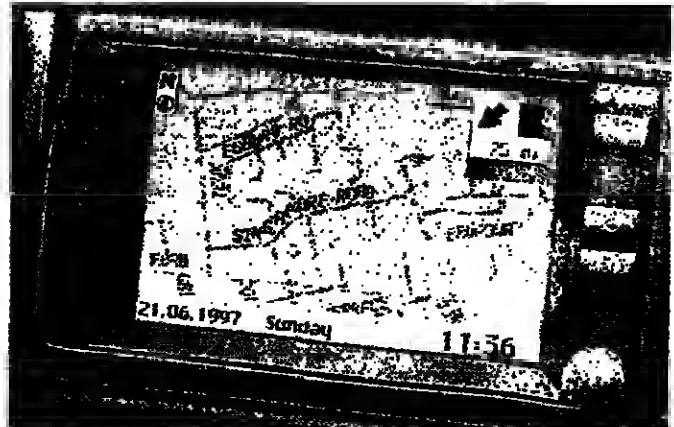
On the streets of Paramaribo, a city with even more brothels than churches, you can buy marijuana cigarettes laced with cocaine. Unable to feed its own population, the Surinamese authorities have few resources to deal with drug

traffickers. As their enforcers turn their attention to conventional routes out of Colombia, so no routes must be found. In Surinam, linked historically with the Netherlands, is a obvious gateway to Europe.

Today, the tour in Surinam will be an inept one. Yet I felt almost sorry to leave. Taking a banana boat home, I thought (Stedman sailing home in is troopship. "Motionless and speechless did I look over the ship's stern heaving high after sign, if the land had quite disappeared out of my languid sight."

Information

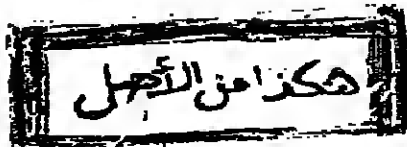
■ There are regular flights with KLM from Amsterdam to Surinam. Adrian Gardiner travelled there on a Pylanesse boat, organised i-Cargo Ship Voyages, 5-tenley Hall Road, Hants, Woodbridge, Suffolk IP12 4QF, a 37-day trip from Portsmouth via Harland.



Discover faraway destinations you've never dreamed of. BMW's in-car satellite navigation system pinpoints the car's position using a digitised CD-Rom road map. Then, using both audible and visual directions, it can guide you to thousands of destinations. BMW's satellite navigation. It's a great way to fly.

Available as an option on BMW 5 and 7 Series from £3,355 (inc.). For full details of network coverage contact your local dealer. BMW Information 0800 328900; <http://www.bmw.co.uk>

The Ultimate Driving Machine



BYCOTT HOUSE
Houses, Chislehurst, London
Tel: 0181 482 98 98 Fax: 01

ADNAMS
WINE & SPIRITS
100, Abchurch Lane, London EC4N 3DF
Tel: 01753 634111 Fax: 01753 634112

HOTEL GARDU
100, Abchurch Lane, London EC4N 3DF
Tel: 01753 634111 Fax: 01753 634112

LOXON ELIZABETH
100, Abchurch Lane, London EC4N 3DF
Tel: 01753 634111 Fax: 01753 634112

TRAVEL

A test of endurance

James Henderson reaches his physical limit in one of the world's toughest races

It was a marmot that set me thinking. He was dozing on a boulder, luxuriating in the August sun on a steep rubble slide in the coastal mountains of British Columbia, Canada, rolling over, alternately warming back and belly. A leisurely life. For him at least. Struggling up towards him, we had been going for three days with just a couple of hours' sleep a night, humping huge rucksacks over glaciers and up and down mountains. We were in a race on steadily to the next checkpoint. As we passed him, marmot and I exchanged a look of detached curiosity. I could barely imagine two more different states of mind.

The competition was the Eco-Challenge, which is variously called an adventure sports race and an expedition competition. In the range of loopy sporting events that I have seen -

and taken part in - this has to be the most extreme. And, oddly enough, one of the most compelling.

Eco-Challenge 1996 was a week of horse-riding and running, hiking through mountains and on glaciers, canoeing, mountain-biking, more glaciers, this time with climbing on ropes, white-water rafting and finally mountain-biking again. There were 70 teams of five men and women who would be racing over a course about 300 miles long, set in magnificent, remote terrain.

We started at dawn, in a valley beneath 6,000 and 7,000ft peaks. One hundred and fifty horses and more than 200 runners set off together in a torrent, crystallising into their teams as they rode and ran 28 miles to the first checkpoint. After a river crossing, which involved burling ourselves into a gurgling, grey glacier outflow, we changed our equipment and headed up into the mountains for a

three-day slog. Twice, either side of the first glacier, we slept for two or three hours, in forest so thick that we could go no farther.

On the third morning we crossed a river by Tyrolean traverse (ropes slung between trees), checked the map and looked up... a 4,000ft climb.

Growing, we made our way up, grasping at the thin undergrowth for purchase, leaving the tree line, up to the bare rocks and eventually reaching the snow line. At the top, as we crowned the ledge, we met a camera team, freshly flown in, filming our every sweaty and breathless move.

An event like this is a huge production - there were 500 runners and assistants and 320 event personnel - and would be impossible to stage without sponsorship. The total cost of Eco-Challenge 1996 was \$4.5m - the insurance bill

alone was \$70,000 - half of which was provided by the Discovery Channel, which screened the event.

Back on the mountain, it looked as though we would spend a third night in the forest, now without food, knowing that the checkpoint was just a few miles away. As we thrashed through the dry, lower branches of the pine trees, a silver light gradually became visible. Moonlight. A clearing. A logging track. Relief. A quick walk down the hill. Familiar voices. Coca-Cola. Tortilla chips. Clean socks. Food.

But no rest. Immediately we were briefed and sent off on a 50-mile canoeing section, along rivers and lakes. Again, the mountains towered thousands of feet above us, shifting their perspective gradually as we paddled and paddled the whole of the next day. Surrounded by such beauty, without another team in sight, it might have been easy to forget that we were in a race, to

give in and doze in the sun. But an urgency tickles constantly at the brainstem: on, oo, oo...

And it is after three or four days that races such as these really come into their own. They are not about aerobic fitness (marathon running), although that is important because the fitter you are, the stronger you are when bumping up against exhaustion. The key is endurance. The mental attitude that comes with stamina. This is a sport where many of the best competitors are over 35.

After 16 hours' sitting, legs huddled as we heaved ourselves out of the canoes. But the blood was soon back in them. The next lag was mountain biking and it started with a 3,000ft climb and then climbed and fell for 50 miles along the wall of a great valley.

The sleep factor really began to tell after five days. We started to take five-minute sleep stops. Tactical



thinking and race experience are important at moments like this. You must know when to stop. Another team might go past while you doze, but they in turn will have a tough time and then you will pass them. Clever strategy can suddenly put you up the order.

We reached the change-over point late that afternoon, under the threat of a time cut-off. Ahead was at least three days of glaciers, white-water rafting and mountain-biking and not

enough time to complete it. It seemed a pity, but in 20th position we had been timed out of the race.

It is always interesting to see human beings at the limits of endeavour; here they were pushing themselves to the point of physical collapse. They (we) endured a lack of food, serious sleep deprivation, some physical danger, hallucinations, constant physical discomfort and often pain, and finally desperation - people do become irrational.

A good team, however, will train its individual competitive streaks into a single intent; members look after one another, oiling ragged relations with humour. For some, among the top competitors, it is refined into the will to win, but with teams spread out over a matter of days, only a handful can hope to come first.

Most find their reward, which is an immense feeling of satisfaction, in pushing themselves to their own limits. One Englishwoman, whose team eventually came seventh, degenerated so badly that she had an out-of-body experience and lost all understanding of where she was. A doctor pronounced her the most exhausted human being he had ever seen. Most of her mental and critical faculties were gone - what was left was distilled determination.

It would have been fun to know what the marmot thought, as he rolled over to warm his belly.

James Henderson will be taking part in this year's Eco-Challenge in Queensland, Australia, from August 12 to 28. Contact 9399 Santa Monica Boulevard, Suite 208, Beverly Hills, California 90212. Tel: 310-553-8855.

A world of beauty, finesse and privacy.
Enjoy The Annabelle lifestyle.



The Annabelle

Telephone (6) 338333

Facsimile (6) 245502

P.O. Box Number 401

PAPHOS, CYPRUS



This year The Annabelle is celebrating the year of the wine
for more information and brochure please contact
THANOS HOTELS (UK) LIMITED, P.O. BOX 3726, London N12 7QE
Telephone: 0181 343 4244 Fax: 0181 343 0663

DRAYCOTT HOUSE

10 Draycott Avenue, Chelsea, London SW3 3AA
Telephone: 0171 584 4659 Fax: 0171 225 3694

Luxury, serviced apartments housed in an attractive period building, combining comfort, privacy and all aspects of personal security. Located in a quiet avenue in Chelsea, 5 minutes walk from Knightsbridge, convenient to the West End and The City. Ideal for business or leisure visit, a personal service offers a great alternative to a luxury hotel. Spacious 1, 2 and 3 bedroom apartments from £940 to £2184 + VAT per week or from £148-£343 + vat per night. For further information and reservations contact Jane Renton - General Manager.

the Essential Hotel guide

ADNAMS

THE SWAN HOTEL
SOUTHWOLD, SUFFOLK IP18 6EG

Away from the stresses of the modern world, Adnams Hotels, based in or around Southwold, offers peace and relaxation accompanied by first class food and Adnams award winning beers and wines.

Telephone: (01502) 722186

For our combined brochure and full details of our popular Gardening Workshops, commencing on 30th May 1997 and other forthcoming events. ADNAMS HOTELS AND SOUTHWOLD - A UNIQUE COMBINATION.

HOTEL GARDENS

As in Romantic Escape
100 year old gardens by the sea, warm, luxurious & elegant. A peaceful wilderness surrounded by beauty - and so, so quiet. Just the cure! Pets welcome.

CASHEL HOUSE HOTEL

CONNEMARA, CO. GALWAY
Tel: 00-353-95-31001
Fax: 00-353-95-31077

"Hyde Park's Finest Town House Hotel"

Deluxe Rooms & Suites
Surprisingly affordable

LONDON ELIZABETH HOTEL
Lancaster Terrace, Hyde Park.
London W2 3PF
Tel: 0171 402 6641 Fax: 0171 224 8900

THE WEEKEND

LONDON'S LATEST LUXURY
TOWN HOUSE HOTEL

IN LONDON SW1

THE LEONARD

Exquisite, furries, sumptuous
beds, fluffy towels, Great
Beds, Overstuffed Pillows,
Rugby Bathrobes, and
Outstanding People who
want to look after You. Enjoy
London from the Luxury of
our Fabulous Suites.
Shop, Theatre, Musee, Relax.
Prices From £82.00 per
person per night sharing for a
2 night stay at the weekend.
Tel: 0171 935 2610
Fax: 0171 935 6700

ELIZABETH HOTEL

APARTMENTS

37 ECCLESTON SQUARE,
VICTORIA, LONDON SW1 1TP
Friendly, private hotel in ideal, central,
quiet location overlooking magnificent
garden of stately residential square,
on fringe of Belgravia.
Comfortable Singles from £40.00.
Double/Twins from £52.00 and
Family Rooms from £93.00
prices including good
ENGLISH BREAKFAST & VAT.
Also luxury 2 bedrooms & studio
apartments (min. 3 months)
For further information & brochure
Tel: 0171 826 6812
Egon Ramsay/RAC Recommended

Executive Hotel Reservations

Up to 50% off
4 & 5 STAR HOTELS

ON ANY DAY

from £45.00
pp/ps sharing a twin.

Also WORLDWIDE
0171-935 1335
Fax 0171 935 9363

MONKEY ISLAND HOTEL

Double Room

An Island Retreat
It's escape, romance and luxury with an
exquisite view overlooking the sea
on a special beach.

MONKEY ISLAND HOTEL
A Grade 1 listed building, situated on 400 acres
along the Thames is the ideal place for the
extra special break.

EXTRA SPECIAL BREAK
from £75pp inc. room, full English
breakfast, and Linen & Towels. 1 night
MONKEY ISLAND
Everything you want for an extra special break.
Tel: 01628 234000

the Essential Hotel guide

+44 (0) 171 873 4418

The Clifton Hotel

FOLKESTONE PREMIER HOTEL

AAA *** RAC
Elegant Regency Style cliff top hotel.
80 bedrooms en-suite, satellite TV,
welcome treat, telephone, Solarium,
CLIFTON WEEKEND
BREAKS

2 nite DBS DBS per 2 nite DBS
£94 pp + 3 nite DBS (must include
a Sunday) £126pp inc VAT
ANYTIME BREAKS
2 nights DBS from £104 pp
CLIFTON LEISURE BREAKS
7 nights or more
DBS DBS Daily

01303
851231

River Hall

Enjoy pure tranquility and
outstanding cuisine in this
Historic Dorsetshire Country
House, recently nominated as
"One of The Most Romantic
Hotels in Britain" and
recommended by all major
guides. 2 day breaks available.
M1 Exit 28 20 minutes.
Telephone Maitock (01629) 582795

HIGHBULLEN

Country House Hotel, Chittlehamholt

North Devon • Secluded yet unmissable view • highly rated restaurant
• 40 en-suite rooms • in all the imperial hotel guides • 4 Crown Highly
Commended • rates from £55.00 to £85.00 ppp, including dinner, breakfast,
service and VAT. • Seasonal Breaks available.

UNLIMITED FREE GOLF ON OUR 18 HOLES COURSE (PAR 67)
18 MILES OF SALMON AND SEA TROUT FISHING

Indoor & outdoor heated pool, outdoor & INDOOR tennis, squash, croquet,
billiards, sauna, steam room, sunbed, spa bath, indoor putting, massage.
Executive conferences max 20. Children over 8.
85 acre semi-ancient woodland. Telephone 01269 540561

Discover an oasis of peace,

quiet & elegant luxury
sleep in the South Devon
countryside. Exquisite cuisine,
sumptuous rooms, antiques &
roaring log fires. 10 miles, A38.

3 NT BREAKS ONLY
£165pp DBS

01548 821661

IRELAND'S HERITAGE

Explore romantic castles
& tranquil gardens
Enjoy memorable holidays
in historic homes

For Brochures:
P.O. Box 5451 Dublin 2
Tel: (00) 3531 6427146 Fax: (00) 3531 6427144

The Essential Hotel Guide

will next appear on

31st May

For advertising opportunities,
please contact:

Will Piper, Financial Times,
One Southwark Bridge, London
SE1 9HL

Direct Line: +44 (0)171 873 4418

Fax: +44 (0)171 873 3098

THE HALKIN

Discover a
secret haven in
the heart of
Belgravia

For information on our
Special Weekend rates,
please contact:

The Halkin

Halkin Street, Belgravia,
London SW1X 7DJ

Tel: 0171-333 1000

Fax: 0171-333 1100

Short Breaks in Bournemouth

A selection of AA *** RAC Award
Winning Hotels. Over looking the
bay or town centre yet all near the
beaches. Spacious rooms with
balconies and glorious views.

MAGNIFICENT LEISURE COMPLEXES
Indoor/outdoor Pools, Sauna,
Solariums, Spa's, Trymassiums,
Children's Pools, Snooker and Pool
tables and Beauty Salon.

Cliffside Hotel
Queens Hotel
Trove Hotel
Cumberland Hotel

For more details and Rates
Telephone:

01202 554415

St. Brides Hotel

** SAUNDERSFOOT **

in the Pembrokeshire Coast National Park

Relax and enjoy a holiday at

** ST. BRIDES HOTEL **

AA *** RAC ***

4 Crown Highly Commended

43 ensuite bedrooms. Dynamic views, Heated pool.

Restaurant features fresh fish and seafood.

St Brides Hill, Saundersfoot SA69 9NE Tel: 01834 812304

the Essential Hotel guide

the Essential Hotel guide

BROCHURE ORDER FORM

Please tick the appropriate box(es) for the hotel brochure(s) you would like to receive.
Enter your own name and address and return by post or fax (address below). Replies
must be received no later than 4th June 1997.

- | | |
|---|--|
| <input type="checkbox"/> The Annabelle | <input type="checkbox"/> The Clifton Hotel |
| <input type="checkbox"/> Draycott House | <input type="checkbox"/> Highbullen |
| <input type="checkbox"/> Adnams Hotels | <input type="checkbox"/> Brookdale House Hotel |
| <input type="checkbox"/> Casbel House Hotel | <input type="checkbox"/> Ribber Hall |
| <input type="checkbox"/> London Elizabeth | <input type="checkbox"/> Irelands Heritage |
| <input type="checkbox"/> The Leonard | <input type="checkbox"/> The Halkin |
| <input type="checkbox"/> Elizabeth Hotel & Apartments | <input type="checkbox"/> The Blakeney Hotel |
| <input type="checkbox"/> Executive Hotel Reservations | <input type="checkbox"/> Arthur Young Hotels |
| <input type="checkbox"/> Monkey Island | <input type="checkbox"/> St Brides |

Title: Initial: Surname:

Address:

..... Postcode:

Daytime telephone: Facsimile:

Please return to
WEEKEND FT ESSENTIAL HOTELS BROCHURE SERVICE
(Ref 04/97) Upcott Avenue
Barnstaple, EX31 1HN

The information you provide will be held by the Financial Times and may be used to keep you informed of FT products and by other selected companies for mailing list purposes. The FT is registered under the Data Protection Act 1984. Financial Times, Number One Southwark Bridge, London SE1 9HL. Please tick this box if you do not wish to receive any further information from the FT Group or companies approved by the FT Group.

SPORT

When boxing collides with literary flair, the results can be impressive.

Because it is such a clichéd activity – muscled protagonists with chopped pork for brains; golden-hearted trainers; affable agents; crime-connected promoters; a Hogarthian assembly of tarts, scamps and scoundrels – boxing is an easy sport to write about, in a hackneyed or prefabricated way.

Generally, with boxing, only very good writers – who may be novelists – seem able to avoid the cliché zone. These are the ones whose insights sting.

Jonathan Rendall, who is British, is such a writer. His book about boxing – *This Bloody Mary Is the Last Thing I Own* – was published the other day, and has an elegiac, almost *fin de siècle* edge to it that is appropriate for a sport that may (but may not) be imploding fearfully because of rampant short-termism: the greed of the promoters and TV executives.

Rendall was born in 1964 and dates the start of his obsession with boxing to 1972 when he was watching TV in a house in suburban London. There was a broadcast from Madison Square Garden featuring Ken Buchanan and Roberto Duran. Buchanan was brave. Duran was pitiless. They were fighting for Buchanan's world lightweight title.

Finally, Buchanan could take no more. He could be seen falling to his knees, holding up his tattered shorts with one hand. The commentator said Duran had hit him low. The fight was over. Duran had won.

"The screen showed Ken Buchanan. His face had changed. He was crying... I went to my room. I took off my tattered dressing gown. Every time I put it on again after that, I thought of Ken Buchanan's guardman's face and the black eyes of Duran. That was how I first got the monkey on my back."

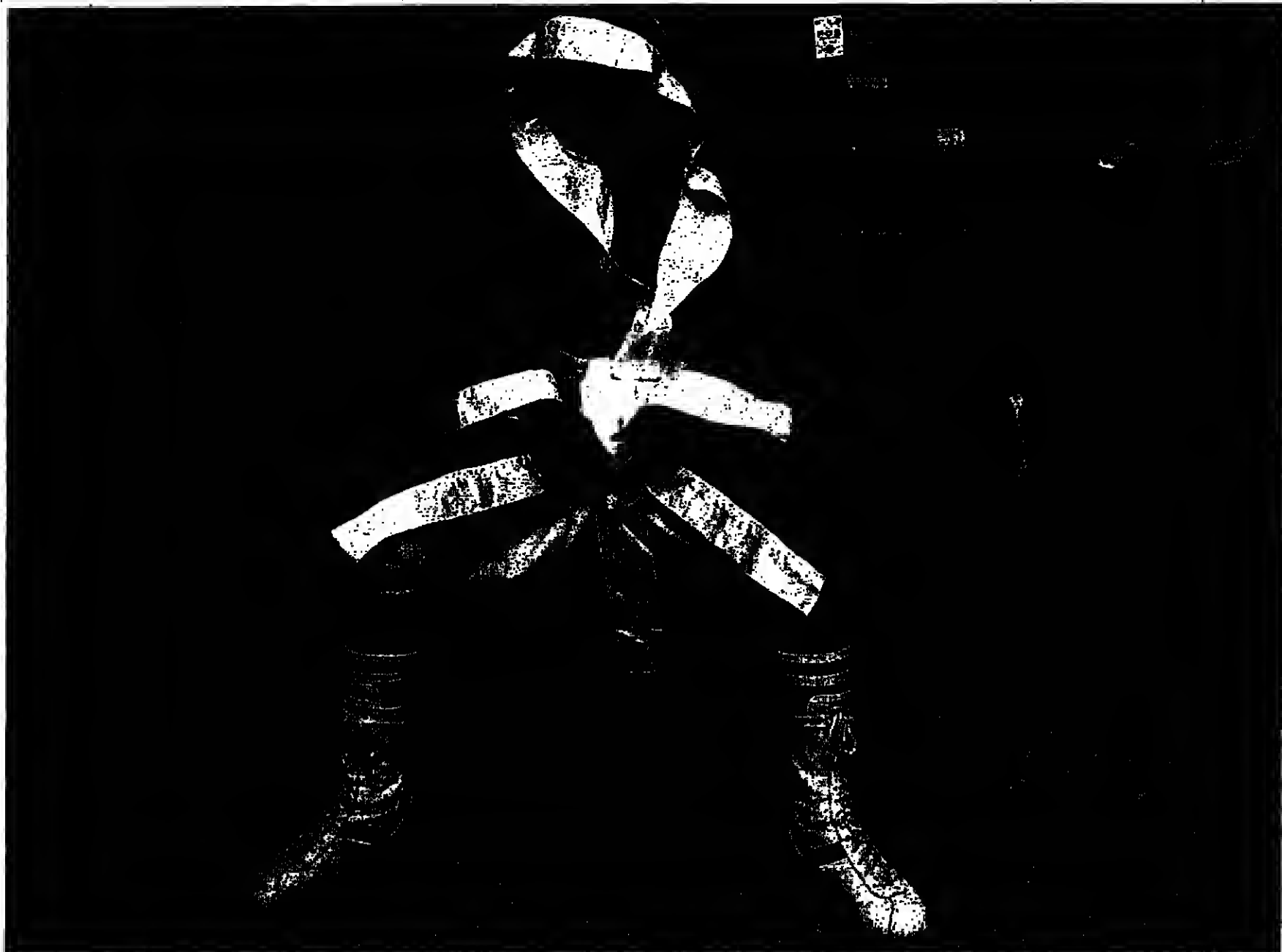
Rendall, who has the looks and physique (softening middle-weight) of a high-society bouncer, studied at Magdalen College, Oxford University, where he boxed – not successfully – before becoming a newspaper sub-editor and sports writer, and then an investigative reporter. Then he wrote his boxing book. Now he is writing a novel.

Rendall's obsession with boxing took him beneath the sport's oily surface when he started to act as agent for Colin "Sweet C" McMillan, then a 25-year-old featherweight working for British Telecom whose dream was to become the next Sugar Ray Leonard. McMillan won the British title. Then he won the WBO world featherweight title, becoming the brightest star in British boxing.

But then McMillan lost his world title, in his first defence, in London in September 1992, to a rough Colombian veteran called Dario Ruben Palacios. Just before the Palacios fight, another fighter, Jimmy Mac, who had

A knock-out blow from a book with real punch

Michael Thompson-Noel discovers a boxing writer who artfully avoids the cliché zone



A sport down and almost out? No, says Jonathan Rendall. Apparent signs of its demise have nothing to do with boxing, but with its audience, its manipulators, owners, mythology...

fought and beaten Palacios, stopping him in seven rounds in a fight akin to warfare, visited the gym where the Colombian was training, to check what Palacios was doing and to report back to Rendall.

"He's training for a dirty fight," Jimmy Mac told Rendall. "You won't believe this. First he spars with this young kid and whacks him in the nuts. Bosh. Puts him over. Then he goes on the pads, right? I'm acting like I'm not really looking. So they don't get suspicious, like. So he's on the pads. Except he's not hit-

ting the pads with his gloves, is he? He's hitting them with his elbows. On purpose. Jon, I mean, with his elbows."

Four days later at Olympia, Rendall writes in his book, the smashes from Palacios went in. Low blows, kidney punches, head-butts. Cuts and potential cuts sprouted on McMillan's leaking face. The referee had lost control of the fight. "Colin seemed to be imagining he was in another fight, as another fighter. He was taking extraordinary risks."

In the seventh, in a clinch, Palacios, whose neck was under

McMillan's left arm, suddenly wrenched himself upwards and free. A look of faint consternation came over McMillan's face. His aim seemed to have come loose from his shoulder. It was dangling uselessly. McMillan's corner threw in the towel – a cream-coloured towel, smudged with blood.

Last month, McMillan finally announced his retirement from boxing. In a few days there will be a joint party, half-funded by Rendall's publisher, to celebrate McMillan's retirement and Rendall's book. In 1993, Palacios

became the first world boxing champion to be stripped of his title after testing HIV-positive.

This Bloody Mary Is the Last Thing I Own is artfully written. Rendall's first inkling that he was no longer in love with boxing is described in a wonderful chapter called *The Ray Charles Punch*, a Ray Charles punch being one that a boxer's opponent simply does not see.

Rendall was in Las Vegas. Things were not going well. As usual, he was booked into the Aladdin, which had seen far better days and was in receivership.

What was he doing in Las Vegas?

He went down to the lounge bar. And then Ray Charles walked in, climbed out to the tiny stage, and started to sing "Georgia On My Mind".

"He was smiling and swaying like a punch-drunk old boxer. He saluted the thin crowd of red-necks. Of course he couldn't see who they were... Charles was wearing an ancient, greasy dinner suit with yellow frills. When the number ended he was led back to a table by a woman in a skimpy, cheap dress. He slipped a shot of something from a glass

while the woman removed some dollar bills from his pocket to pay for it."

The effect of seeing Ray Charles like that set a cog turning in Rendall's brain. That was when it really started, he says – his realisation that he was out of love with boxing.

Four days later, back in the Aladdin's lounge, Rendall ordered a drink and said to the barman, by way of chit-chat, that it had been hard to see Ray Charles like that. The barman gestured towards a sign that stated: *Night of the Blues Impressionists*. "Sir," said the barman, "you didn't think that was the real Ray Charles, did you?"

Even though I met Rendall the day his book came out – briefly, for a drink – it is hard to know whether he thinks boxing is imploding swiftly, or slowly. He talks about the "ridiculous" proliferation of boxing titles – WBC, WBA, IBF, WBO, IBC, IBF, WBU, WBF – which are all about money and are stretching the sport's credibility to breaking point. And he describes boxing's marginalisation: newspapers getting rid of their boxing writers, "boxing as subscription-channel entertainment, like porn, like wrestling".

There is plenty of evidence that boxing is dying, he says – numerous indications that greed will "drive its philistine cultivators to such alien strains that suddenly, one season, they would find that no one wanted [their] crops except cranks".

But in his book, Rendall says he came to see this evidence as irrelevant, for the signs that the sport was dying "had nothing to do with boxing, but with its audience, its manipulators, owners, its mythology and interpretation, its perceived importance, its social acceptability".

"This was the superstructure above boxing, not boxing itself. Boxing itself crouched, and sweated beneath the superstructure, unchanging, the fighters shuffling and bleeding as they always had done... with their dreams and ruses, railing against the superstructure, but at the same time putting their palms up towards it, hoping for a splash... just a splash that could make them rich."

When I met Rendall, I asked him whether boxing was doomed to extinction any day soon. The gist of his answer was "No" (I think) though it was hard to be sure, for his conversation can be as subtle and as elusive as his writing.

At least there is no mystery about the book's title. Rendall was in Las Vegas again, at the end of his last trip as a boxing writer, in the autumn of 1986. He was in Binyon's Horseshoe. When he sat down at the bar, a man opposite said: "You bloody you've got problems? This bloody nappy is the last thing I own." *This Bloody Mary Is the Last Thing I Own*. Jonathan Rendall, Faber and Faber, £14.99, £24.95, £32.99.

Point-to-Point

On course for a spectacular fall

The popular offshoot of hunting could soon find itself without a future, says Keith Wheatley

Around Hockworthy, on the high uplands of the Devon/Somerset border, the lanes are so narrow that a horse-box touches both hedgerows. Hand-written yellow signs saying "Races" point the way at each remote crossroads.

All morning, cars, Land Rovers and even the outside broadcast vehicles for the SIS racing channel have been converging on Ken Nicholas' farm.

The first race, for riders related to their horse's owner, has a challenge cup. Pardini, a nine-year-old bay gelding, is piloted by Vivienne Nicholas, Ken's daughter. Many of the crowd enjoying the warm spring sunshine are neighbours or friends.

This is point-to-pointing, the fastest-growing of British racing's three sectors – National Hunt and flat racing are actually shrinking. Yet, despite its popularity with punters, spectators and just families having a day out in the unspoiled countryside, this could be the last point-to-point at Stallage Thorne.

The sport is an offshoot of hunting, with all its organisation and voluntary labour rooted in the local hunt. If fox-hunting becomes a political casualty of a new government in the UK – with a less tolerant attitude to the pursuit – point-to-points will have little

prospect of survival. "This whole spectacle will just slip away if hunting goes," says John Forde, a point-to-point regular. "Farmers aren't going to lend their land, with all the inconvenience and cost, if the cause they are doing it

'It's a bigger business now than National Hunt in terms of turnover'

for disappears. Nor would you find the volunteer labour you need." Tony Nash, one of the joint masters of the Tiverton Foxhounds (and a former Olympic bobsleigh gold-medallist), and his team of helpers have been cutting birch brushwood for the 18 jumps on the 1½-mile circuit since before Christmas. Several days a week of unpaid labour have gone into building the fences.

"For our hunt this is the

highest fundraising day of the year. It will probably produce around £5,000 or so and that's a very significant part of our annual revenue," said Nash, who runs a local timber business. "But if this hugely popular event wasn't organised by the hunt I don't believe it could happen."

In the natural grandstand formed by the hill above the finish line there are probably 1,000 people in the crowd by early afternoon. Tweed jackets and moleskin trousers mix happily with lurid acrylic cardigans.

I spot one or two youngsters from the local high school, blazers hidden in Dad's car. This is a genuine community event. Horses are often owned by a syndicate of friends, paying no more than a couple of thousand pounds. The jockeys are amateur and very often female.

"People say that some form of club racing will emerge if this all finishes," said Joanne Cummings, 28, muddy-faced and splendid in her black and red silks. "I doubt it myself, and if it did happen it would be too



Under threat: a genuine community event, horses in point-to-point are often owned by a syndicate of friends

expensive because you wouldn't have the scores of volunteers you have at meetings like this."

For a few, point-to-points are a livelihood. "If hunting goes so will point-to-point and that's going to have a

massive effect on my income. It would probably put me out of business," said Exeter-based bookie Frank Houghton.

With his satchel, step-ladder and blackboard advertising odds it would be impossi-

ble to imagine a more traditional figure from the turf. Yet Houghton has increasingly looked to the populist world of "pointing" to make his living.

"For me it's a bigger business now than National

Hunt in terms of turnover and you keep a better percentage," he said. "I've been coming to these meetings since I was 12. Apart from the business, it's a day out. Pure pleasure."

As the point-to-point fix-

ture list has swollen to well over 200 meetings in the January-to-May season, Houghton manages to attend about three a week in the south-west. The number of fixtures is around 15 per cent up on the 1995 figure. Last season saw 13,451 runners, a similar percentage increase.

For comparison, National Hunt officials have recently voted to hold fewer steeplechase races since fields were becoming so thin – aside from the landmark events such as Cheltenham.

"The review group said that point-to-point could be viewed as taking runners away from 'jump' racing under Rules," said Jockey Club officials, Simon Cluse. "Horses in training have declined around 15 per cent over the past four years. Jump racing is not in great shape."

According to Jeanette Dawson, secretary of the Point-to-Point Owners & Riders Association, attendance at their events has never been better.

"The Vale of Aylesbury had 10,000 people on Easter Monday," she said. "There's an awful lot of racecourses would give anything to see those sorts of numbers."

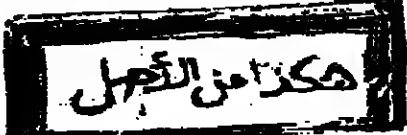
"No one inside point-to-pointing wants to discuss what will happen if hunting ends. It's a defeatist perspective and the people in this sport are not prepared to give up."



The road to Wembley. Based on technology more often found in military aircraft, BMW's in-car satellite navigation system can locate your vehicle to within 10 metres. That established, it reduces journey times and fuel consumption by planning the shortest route. Whatever your goal.

Available as an option on BMW 5 and 7 Series from £3,355 (excl. VAT). For full details of network coverage contact your local dealer, BMW Information: 0800 325900; <http://www.bmw.co.uk>

The Ultimate Driving Machine



INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

CONCERT

Concertgebouw Tel: 31-20-6718345
● Koninklijk Concertgebouworkest: with conductor Georg Solti in works by Schumann and Bartók; May 9

EXHIBITION

Rijksmuseum Tel: 31-20-6732121
● The Nude - Prints, drawings and photographs: nude figures have long appeared in scenes from the Bible and mythology. In this exhibition artists spanning five centuries give their individual interpretations of these figures: Adam and Eve, gods such as Mars and Venus, and many other heroes and saints; from May 10 to Aug 3

OPERA

Het Muziektheater Tel: 31-20-5518117
● Eugenie Onegin: by Tchaikovsky. Conducted by Hartmut Haenchen and performed by the Nederlandse Opera. Soloists include Hebe Dijkstra, Elena Prokina and Hana Minutillo; May 7, 10

BASEL

EXHIBITION

Antikenmuseum Basel und Sammlung Ludwig Tel: 41-61-2712202
● Moments of Eternity - Egyptian Art in Swiss Private Collections: display includes gold-plated statuettes and mummy masks dating from 400BC; to Jul 13

BERLIN

CONCERT

Konzertsaal Berlin Tel: 49-30-203090
● Sinfonisches Orchester des Deutschen Mitteldeutschen Rundfunks: with conductor Fabio Luisi and tenor Sergei Larin in works by Verdi, Berio and Berlioz; May 9

EXHIBITION

Haus der Kulturen der Welt Tel: 49-30-397870
● Die anderen Modernen, Die Kunst Asiens, Afrikas und Latein-Amerikas am Ende des 20. Jahrhunderts: display of works by 30 contemporary artists from Africa, Asia and Latin America; from May 8 to Jul 27

OPERA

Deutsche Oper Tel: 49-30-3438401
● Herzog Bluebarts Burg: by Bartók. Conducted by Jiri Kout, performed by Deutsche Oper and the Wiener Staatsoper. Soloists include Richard Cowan, Doris Soffel, Ivan Sardi and Karan Armstrong. The programme also includes a performance of Erwartung by Schoenberg; May 6
Staatsoper Unter den Linden Tel: 49-30-20354438
● Der Freischütz: by Weber. Conducted by Zubin Mehta, performed by the Staatsoper Unter den Linden. Soloists include Roman Trekel, Carola Höhn and Dorothea Röschmann; May 8

BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
● Deutsche Fotografie: display of 300 works by 150 German photographers from the 19th and 20th centuries, covering different aspects of the medium including architecture, art, fashion, design, advertising and journalism; from May 8 to Aug 24

BRISBANE

EXHIBITION

Queensland Art Gallery Tel: 61-7-3840-7333
● Paris in the Late 19th Century: exhibition examining Parisian cultural, social and political life in the 1890s. On display are 250 paintings, sculptures, prints, posters, photographs, decorative arts and jewellery by some of the leading names in art during that influential decade, including Monet, Renoir, Gauguin, Cézanne, Toulouse-Lautrec and Pissarro; to May 18

BRUSSELS

CONCERT

Palais des Beaux-Arts Tel: 32-2-5078200
● José van Dam: performance by the baritone, accompanied by the pianist Maciej Pikulski. The programme includes works by Brahms, Wolf, Duparc, Ibert and Poulenc; May 7

Musées royaux des Beaux-Arts de Belgique - Musée d'Art Ancien Tel: 32-2-5083211
● Paul Delvaux: thematically organised retrospective devoted to the work of the Belgian artist featuring approximately 120 paintings and 130 works on paper from international collections. Also on display are a number of letters, photographs, souvenirs and other documents, including 21 sketch books; to Jul 27

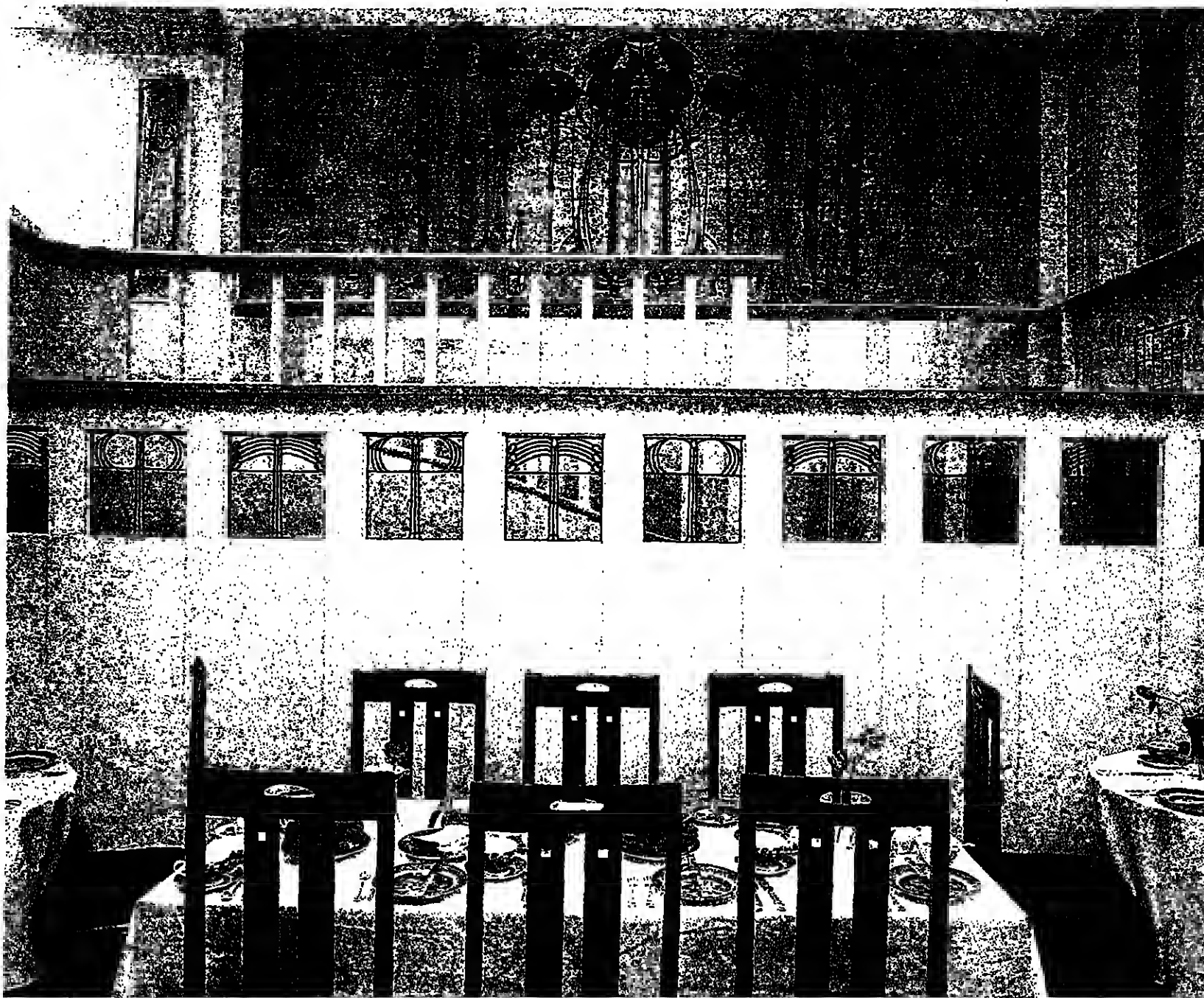
CANNES

FESTIVAL

Palais des Festival et des Congrès Tel: 33-9339 0101
● Festival International Du Film: presiding over the judges for this year's 50th festival will be French actress Isabelle Adjani. Highlights include Robert Bresson's *The Fifth Element* as the opening film and new works by Wim Wenders, Michael Winterbottom and Clint Eastwood; from May 7 to May 18

CHICAGO

ART & ANTIQUE FAIR



'Reconstructed Ladies Luncheon Room', by Charles Rennie Mackintosh, part of an exhibition showing at the Art Institute of Chicago

NAVY PIER SKYLINE STAGE TEL: 1-312-6631628

● Art Chicago 1997: America's largest art fair features exhibitors from over 20 countries, representing 2000 artists, ranging from young, emerging talent to established masters; from May 10 to May 14

EXHIBITION

Art Institute of Chicago Tel: 1-312-4433600
● Charles Rennie Mackintosh: billed as the most comprehensive show of Mackintosh's work ever mounted, this exhibition features over 200 objects, including architectural drawings, room settings, furniture, decorative arts, models, watercolours and reconstructions of interiors; to Jun 22

COLOGNE

CONCERT

Kölner Philharmonie Tel: 49-221-2040820
● Krystian Zimerman: the pianist performs works by Schubert; May 9

COPENHAGEN

OPERA

Det Kongelige Teater - The Royal Theatre Tel: 45-33-696969
● Der Fliegende Holländer: by Wagner. Conducted by Dietrich Bernet, performed by the Royal Danish Opera. Soloists include Bent Norup, Stig F. Andersen and Michael Kristensen; May 5, 8

DETROIT

EXHIBITION

The Detroit Institute of Arts Tel: 1-313-8337963
● Images in Ivory: Precious Objects of the Gothic Age: exhibition featuring approximately 100 surviving examples of ivory carving. Offering a rare view of private life during the Gothic period, the display includes statuettes, mirrors, combs and boxes decorated with romantic and religious themes; to May 11

FRANKFURT

CONCERT

Alte Oper Tel: 49-69-1340400
● Radio-Sinfonie-Orchester Frankfurt: with conductor Marcello Viotti and trumpet players Wolfgang Bauer, Reinhold Friedrich, Markus Mester and Markus Stockhausen in works by Rossini, Lewis, Petras and Bizet; May 8, 9

EXHIBITION
Städtisches Kunstinstitut Tel: 49-69-605098-115
● Pablo Picasso - Suite Vollard: display selected from Picasso's Suite Vollard, a series of 100 works produced in the early 1930s; from May 7 to Jul 27

HAMBURG

CONCERT

Musikhalle Hamburg Tel: 49-40-346920
● NDR-Sinfonieorchester: with conductor Herbert Blomstedt and the NDR-Chor in works by Brahms and Dvorák; May 4, 5, 8

HELSINKI

EXHIBITION

Amos Anderson Art Museum Tel: 358-9-840221
● Börje Söderholm: photographic exhibition featuring Söderholm's portraits of women from the 1950s to the 1970s. The photographer specialises in fashion work, experimenting with double exposures and montage; to May 11

LEIPZIG

CONCERT

Gewandhaus zu Leipzig Tel: 49-341-12700
● Gewandhausorchester, with conductor Kurt Masur and pianist Elisabeth Leonskaja in works by Tchaikovsky; May 10

OPERA

Oper Leipzig Tel: 49-341-1261261
● La Traviata: by Verdi. Conducted by Jiri Kout. Soloists include Yi Ping Li, Annelott Damm and Santiago Calderon; May 10

LONDON

CONCERT

Royal Festival Hall Tel: 44-171-9604242
● David Helwig: the pianist performs works by Mendelssohn, Chopin, Liszt and Beethoven; May 5
Wigmore Hall Tel: 44-171-9352141
● Edith Mathis: performance by the soprano, accompanied by the pianist Graham Johnson. The programme includes works by Mendelssohn, Brahms and Schubert; May 9

EXHIBITION
British Museum Tel: 44-171-6361555
● Ancient Faces: Mummy Portraits from Roman Egypt: exhibition displaying nearly 200 mummy portraits on wooden panels, linen shrouds and coffin lids made between the 1st and 3rd centuries AD; to Jul 20
National Portrait Gallery Tel: 44-171-3060055
● August Sander: major retrospective exhibition of the work of the German photographer. In a series of uncompromisingly direct photographs Sander recorded rural and urban society in Germany both before and after the first world war. The selection of 200 photographs on display, drawn from Sander's own collection, includes a high proportion of previously unseen images; to Jun 8
Tate Gallery Tel: 44-171-6878000
● Hogarth the Painter: display celebrating the birth in 1697 of William Hogarth, highlighting his achievements as the leading painter of his age. The Tate's collection of work by the artist is shown in its entirety, alongside loaned works from public and private collections; to Jun 8

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

EXHIBITION
Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

CHRISTOPHE LACASSAGNE; MAY 10

MADRID

CONCERT

Auditorio Nacional de Música Tel: 34-1-3370100
● Coro Universitario de Baleares: with conductor Trevor Pinnock, soprano Nancy Argenta and tenor Rufus Müller in works by Mozart and Bach; May 9

MILAN

AUCTION

Sotheby's Italia Tel: 39-2-295001
● Books and Prints: sale offering more than 1000 books and prints, with highlights including a group of books by Futurist authors including Marinetti, Boccioni, Depero and D'Abisola; May 7, 8

MOSCOW

CONCERT

Tchaikovsky Conservatoire Tel: 7-095-2297589
● Russian National Orchestra: with conductor Mikhail Pletnev in works by Beethoven; May 4

MUNICH

EXHIBITION

Haus der Kunst Tel: 49-89-211270
● Frantisek Kupka and Otto Gutfreund: display of more than 200 works by the abstract artists from the 1920s and 30s, both inspired by musical rhythms; from May 8 to Jul 20
Neue Pinakothek Tel: 49-89-23805-195
● Manet bis Van Gogh: Hugo von Tschudi und der Kampf um die Moderne: exhibition saluting the leading role of von Tschudi in introducing French Impressionist art to Germany. Artists on display include Manet, Rodin, van Gogh, Matisse, Renoir, Gauguin and Monet; to May 11

NEW YORK

CONCERT

Avery Fisher Hall Tel: 1-212-875-5030
● New York Philharmonic: with conductor Franz Welser-Möst, cellist Truls Mork and tenor Brian Asawa in works by Kanchell, Tchaikovsky and Sibelius; May 8, 9, 10

EXHIBITION

Brooklyn Museum Tel: 1-718-6385000
● Mistress of House, Mistress of Heaven: Women in Ancient Egypt: exhibition examining the role of women in ancient Egypt in court, family and temple. Approximately 200 objects will be on display, including 20 rarely seen pieces from the museum's permanent collection; to May 18
The Metropolitan Museum of Art Tel: 1-212-8795500
● Prints in the Age of Albrecht Dürer and Lucas van Leyden: exhibition presenting highlights from the museum's collection of German and Netherlandish prints from 1470 to 1550. It consists of about 110 engravings, etchings, woodcuts and illustrated books; from May 6 to Jul 13

NICE

EXHIBITION

Musée d'Art Moderne et d'Art Contemporain Tel: 33-4-93626162
● Man Ray: retrospective exhibition featuring a selection of more than 200 works by the American photographer; to Jun 9

PARIS

EXHIBITION

Centre Georges Pompidou Tel: 33-1-44781233
● Made in France 1947-1997, 50 ans de Création en France: exhibition of works from the permanent collections of the Centre Georges Pompidou and the Musée National d'Art Moderne celebrating respectively the 20th and 50th anniversaries of the museums.

ST. IVES

EXHIBITION

Tate St Ives Tel: 44-1738 796543
● A Quality of Light: special display of works by six artists on the theme of light. Bridget Riley, James Hugonin, Martina Kramer, Victor Grippo, Roger Ackling and Carol Robertson will also be making related works at other venues in St Ives and Cornwall as part of a local project involving over 50 artists based in the area; from May 10 to Nov 2

STOCKHOLM

DANCE

Dansens Hus Tel: 46-8-8769600
● Cullberg Ballet: programme includes Over bord, choreographed by Tunström to music by Bach, Brahms and Schubert, and Hon var Svart choreographed by Ek, to music by Górecki; May 5, 6, 7

EXHIBITION

Nationalmuseum Tel: 46-8-6664250
● Masterpieces from Utrecht: display

featuring 30 paintings on loan from the Centraal Museum, Utrecht. The works date from the 16th and 17th centuries and include 'Madonna With the Wild Roses' by Jan van Scorel; to May 11

STUTTGART

EXHIBITION

Staatgalerie Stuttgart Tel: 49-711-2124050
● Magie der Zahl - Zahlenspiel und Arithmetik in der Kunst des 20. Jahrhunderts: exhibition focusing on the use of numbers, arithmetic and statistics in 20th century art. Artists represented include Johns, Warhol, Twombly, Kounellis, Merz, Braque, Dali, Duchamp, Lissitzky, Malevich, Magritte, Miró, Moholy-Nagy, Schwitters, Severini and Tanguy; to May 19

SYDNEY

EXHIBITION

Art Gallery of New South Wales Tel: 61-2-2251700
● Giorgio Morandi: the first exhibition of Morandi's work to be held in Australia, featuring 31 paintings and 60 etchings. The Italian painter specialised in still lifes made up of common objects such as bottles, lamps and cans, working with subtle combinations of colour that produced an overall feel of serenity; from May 9 to Jul 13

VENICE

EXHIBITION

Palazzo Grassi Tel: 39-41-5231680
● Dalle Fiandre a Peal Bassi l'arte storia dell'arte moderna: exhibition of Dutch and Belgian art of the 20th century, featuring 150 works by artists including van Gogh, Ensor, Magritte, Delvaux, van Dongen, Sluyters and Appel; to Jul 13

VIENNA

CONCERT

Musikverein Tel: 43-1-5058881
● Andreas Schiff: the pianist performs works by Schubert; May 5
● Wiener Philharmoniker: with conductor Riccardo Muti, soprano Ruth Ziesak, alto Vesseline Kasarova, tenors Michael Schade and Herbert Lippert and bass Roland Schubert in works by

Weekend Investor

Wall Street

Right back to rational fundamentals

John Authers finds the Dow more prone to swings and lurches than UK voters

Here is a far-fetched proposition: Wall Street's behaviour over the last two months has been wholly rational, and can be explained by reference to the fundamentals.

At first sight, this seems absurd. The Dow Jones Industrial Average has of late been more prone to swings and lurches than the UK electorate. On March 11, it set a new all-time high, of 7085.16. This was already a gain of 9.37 per cent for the year, putting it on course to grow by about 50 per cent for the year.

Then came the fall. By April 11 it had thudded as far down as 6391.89, after a particularly calamitous daily fall of 148.36. By now it was below its level of the beginning of January.

At last, it seemed, the great bull market of the 1990s was at an end. The Dow was 9.5 per cent below its high, and at one point during the next trading day it was 10 per cent off its peak, the level officially required for the fall in prices to be labelled a "correction".

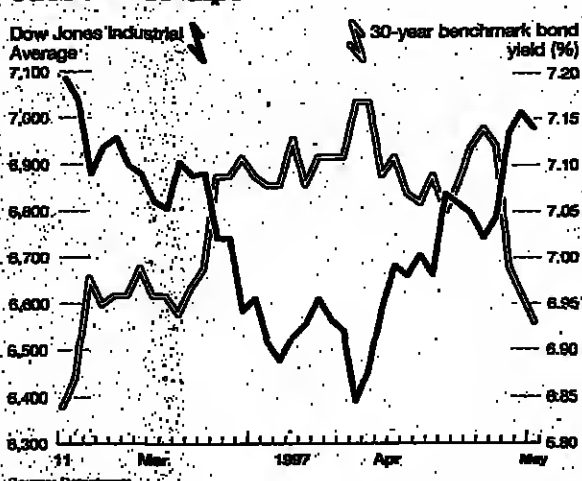
Since that nadir three short weeks ago, the Dow has gained 9.8 per cent, reaching a peak of 7008.59 on Wednesday this week, and hovering around the 7000 level since then. All this has been achieved with exceptional volatility, the market swinging by 100 points in a day eight times.

Plainly technical factors increased the volatility. But it is surprisingly easy to construct a defence for the market's behaviour. It starts with monetary policy. The market reacted sensibly to the Fed's 25 basis-point increase in interest rates in March - an event which, other things being equal, should lower share prices.

Alan Greenspan had telegraphed his intentions, but it was only in the last two weeks before he acted that a rise in rates was factored into prices. Prices continued to fall as dealers wrote a further 25 basis-point rise into prices.

Next, the bond market. Bonds had been looking cheap, and signalling a shift out of equities, since December. On March 27, as the tumble in stock prices gathered momentum, the yield on the 30-year Treasury

Just a little dip?



bond passed the 7 per cent level, offering a very tempting alternative to equities.

That yield came back through the 7 per cent barrier earlier this week. This was not surprising, as they were plainly a tempting buying opportunity. According to Ben Hock, director of equity research at John Hancock in Boston: "If inflation is close to 3 per cent and the bond is offering 7 per cent, that's a 4 per cent real return. That's extremely good."

With bond yields coming down, pressure was removed from equities. Bonds were helped by politics. Both bonds and equities were already assuming some very good political news, from Wall Street's point of view. Both markets rallied in November, after the elections left them with the ideal combination of a president who would not cut taxes, balanced by a Congress which would not increase the budget.

Hopes of bi-partisan progress receded earlier this year. But in the last two weeks, there was increasing speculation that a budget deal could be hammered out, reaching near-certainty by Thursday this week.

Most important, however, are corporate earnings. The US system of quarterly reporting means that traders can act on much more current information than their counterparts in the UK. The results for the first quarter started to cross analysts' desks in the second week of April, which far from coincidentally

mentally was when stock prices began their rally.

Not only were first-quarter corporate profits strong by any yardstick, up about 13 per cent from the first quarter of 1996 across the S&P 500. They are also, crucially, ahead of expectations. Surveys suggest that almost 80 per cent of companies reported results better than analysts had predicted. Stock prices rose on the new information.

A footnote to this display of market rationality is that concentration on the Dow, a limited measure covering only 30 stocks, gives a distorted view of the swings of the last two months.

A wider look at the market shows that the recovery has covered a very narrow range of stocks. For example, the Nasdaq composite, weighted towards small companies and technology stocks, remains 7.5 per cent below its high, although it has shared in the recovery.

Latest research from Gail Dudack, chief strategist at UBS Securities makes the point clearly, saying the rebound "has shown concern on the part of investors as they shift from smaller cap (riskier) equities to larger cap (safer) stocks". She adds "Even among the large capitalisation stocks, only a select few are carrying the indices higher."

Dow Jones Ind Average	Monday	Tuesday	Wednesday	Thursday	Friday
	6783.02	+44.15	6827.03	+179.01	7006.01
	6783.02	+44.15	6827.03	+179.01	7006.01
	6783.02	+44.15	6827.03	+179.01	7006.01

Now for Tony's first true test

And that, says Philip Coggan, is interest rates

Elections are all very well but, sometimes, it becomes clear that the market's real interest lies elsewhere. There were some modest moves in UK financial markets yesterday as investors contemplated the end of 18 years of Conservative rule. But what got shares really moving was the latest economic data from the US, with the non-farm payroll statistics calming fears of an imminent rise in interest rates.

The FTSE 100 index jumped to a 20-point gain within minutes of the announcement, and managed an all-time intra-day high of 4,468.4. But that should not necessarily be taken as a ringing endorsement of Tony Blair.

During Thursday night, there was some sign that the size of Labour's majority could alarm the market on the ground that its sheer

scale might make the Blair government act in a more radical manner. Utilities also came in for some selling pressure, with investors worried that Labour might try to extract more from the windfall tax than previously indicated - perhaps £7bn, rather than £3bn-£5bn.

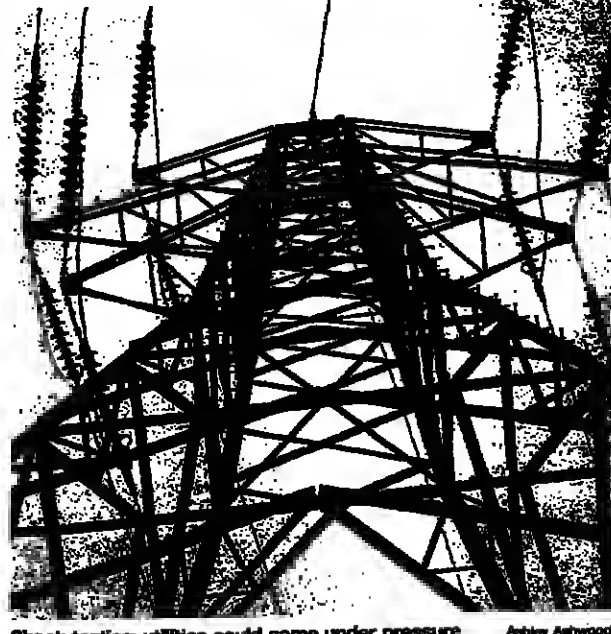
As trading got under way in the morning, however, a calmer view emerged. Since a Labour victory had been expected widely, the result, if not the scale, cannot have surprised investors. The Labour leadership seems to have done a good job in reassuring the City that the party's policies on macro-economic issues, particularly inflation, would be similar to those of the Tories.

The first test will come with the next monthly policy meeting between the new chancellor and Eddie George, governor of the Bank of England, scheduled on Wednesday. Labour has indicated that it is not keen

to continue the "Ken and Eddie show" - as it became known when outgoing chancellor Kenneth Clarke was a participant - and would like to change the system. But since it is unlikely to overhaul the arrangements so quickly, it faces the dilemma of whether to follow the governor's likely advice and raise rates.

There are strong arguments in favour of Labour wanting to establish its anti-inflationary credentials with the markets right away. The more quickly it acts, the less rates may have to rise in the long run.

In terms of the electorate, it makes sense to get the bad news out of the way early. A quarter-point rise, or even a half-point, would appear decisive. On the other hand, Labour might feel that because the strength of the pound is hurting industry, a rate rise would add to the burden on the corporate sector and reinforce sterling's



Shock tactics: utilities could come under pressure Philip Coggan

strength.

Many economists feel the right policy mix would be to increase taxes, which would affect consumers directly and keep interest rate unchanged. But Labour is restricted in this area by its campaign promises although its large majority may give it more freedom of action.

When Labour's mini-Budget is unveiled, probably late next month or mid-July, the windfall tax will be a centrepiece. Shares in utilities obviously have fallen in advance of the election, but the scale of the tax and the identities of the companies affected may yet cause some surprises.

Then, too, longer term issues could emerge gradually. The minimum wage is not expected to be enacted for a couple of years or so. And the much-discussed EU social chapter with its two provisions - paternity leave and works councils - is unlikely to have a big impact on profits.

Philip Isherwood, UK strategist at Dresdner Kleinwort Benson, says the market might yet come to focus on corporate tax reform. "Labour will be looking to do something more imaginative than robbing Peter to pay Paul. It wants to promote investment, and that might mean that tax credit on dividends will be phased out and measures introduced to neutralise the tax treatment of equity and debt." (Debt interest is tax-deductible under the present system.)

Abolishing tax credit on dividends would cause a

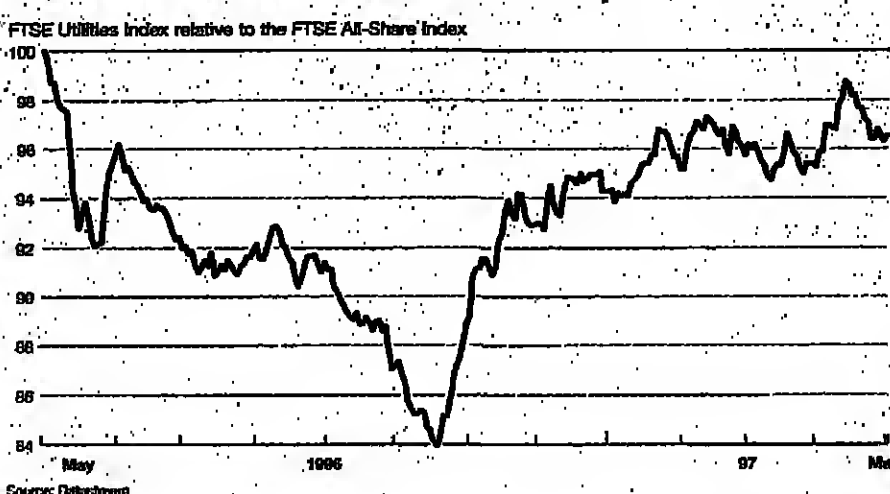
cash flow problem for investors such as pension funds, he says.

It would also make shares at the margin less attractive, especially as minimum solvency requirements under the Pensions Act may be pushing investors towards holding a greater proportion of gilts. "Fund managers will increasingly have to justify why they hold shares instead of bonds," Isherwood believes.

The market obviously will take its time to assess the Labour government and, until the mini-Budget, the vicissitudes of Wall Street probably will continue to be the most important influence on share prices. After all, the ability of the international capital markets to affect an economy probably is stronger than that of any government, as shown with Britain's humiliating exit from the exchange rate mechanism in 1992.

Incidentally, investors may wonder if the laws of supply and demand, which rule the capital markets, will now apply to politics. There was a record number of candidates for parliament this time, but the lowest turn-out since the second world war. In short, supply overwhelmed demand and the price ought to fall. So, if market economics really is functioning, there should be no talk of a rise in MPs' pay for a while. Perhaps, indeed, it should be cut. Somehow, though, that is one free market doctrine that new Labour might well ignore.

The fall before the windfall



Highlights of the week

	Price	Change	52 week	52 week	
	1 day	on week	High	Low	
FTSE 100 Index	4455.6	+85.9	4455.6	3612.8	Decisive election outcome
APV	94	+29	96 1/2	59	Two bid approaches
BICC	217 1/2	+35	336 1/2	217 1/2	Profits warning
Boosey & Hawkes	870	+72 1/2	905	478	Awaiting stake sale news
Brixton Estate	190 1/4	+20	218	164	Disposal hints
General Accident	902 1/2	+64 1/2	906	614	Demutualisation factor
Kingfisher	684	+27 1/2	706	640	Firm retailers
Legal & General	429	+36 1/2	438 1/2	264 1/2	Norwich Union float buying
Reuters	679	+56	807	573 1/2	New York presentation
Simpson Estate	316 1/2	+27 1/2	318 1/2	212	Properties in vogue
Smyth & Beecham	995 1/2	+55	1009	645 1/2	US buying
TI Group	544 1/2	+18	594 1/2	458	Credit Lyonnais Laing recommendation
Vickers	218	+9	300 1/2	199 1/2	Bounce from oversold
Wickes	179	+20	792 1/2	132 1/2	Improved like-for-like sales

FT

FINANCIAL TIMES
Financial Publishing

CREDIT RATINGS in emerging markets

This directory lists for the first time in a single source over 7,000 credit ratings assigned by 34 rating agencies - nine international and 25 local - to emerging market fixed-income securities in:

Argentina • Bahrain • Bangladesh • Barbados • Belarus • Bolivia • Brazil • Bulgaria • Chile • China • Colombia • Cyprus • Czech Republic • Ecuador • Egypt • El Salvador • Greece • Guatemala • Hong Kong • Hungary • India • Indonesia • Israel • Jordan • Korea • Kuwait • Lebanon • Liberia • Macau • Malaysia • Mexico • Morocco • Oman • Pakistan • Panama • Paraguay • Peru • Philippines • Poland • Portugal • Qatar • Romania • Russia • Saudi Arabia • Singapore • Slovak Republic • Slovenia • South Africa • Sri Lanka • Taiwan • Thailand • Tunisia • Turkey • United Arab Emirates • Uruguay • Venezuela • Vietnam

A directory of the agencies, their rating scales and criteria is also included in each edition.

In addition each agency's rating system has been translated into a CREM rating score for ease of comparison. Multiple ratings of sovereign debt have also been aggregated into a unique sovereign composite index and are listed alongside the individual issuer's CREM rating score to provide a universal means of comparison between local currency debt from different countries.

Every three months, subscribers receive the complete list of ratings, cumulatively updated, in a 460 page bound book.

FT Credit Ratings in Emerging Markets is indispensable to:

- ◆ International fund managers ◆ Investors
- ◆ Investment advisers and lenders with exposure to emerging markets
- ◆ Traders of long-term and short-term debt
- ◆ Corporate and sovereign borrowers ◆ Regulators

For further information contact:

Marketing Department
FT Financial Publishing, Maple House,
149 Tottenham Court Road, London W1P 9LL, UK.
Tel: +44 (0) 171 896 2316 Fax: +44 (0) 171 896 2319

Barry Riley

The Blair necessities

Labour must get a quick grip on the economy



Do turkeys vote for Christmas, after all? The London stock market has rallied strongly in the few weeks ahead of an inevitable Labour triumph. True, Wall Street has moved up much more vigorously (by 8 per cent in three weeks) so perhaps British investors fear damage nevertheless.

It will take mental somersaults to adjust to Britain under Labour rule. It is more than 50 years since the party gained power with a comparable majority. Then, the government restructured industry, the welfare system and much more besides. This time, it will reform only the constitution. Or could there be more?

The big picture is that, under the Conservatives, the UK moved towards the American model of business and the economy. That explains many of the problems that the Tories had in dealing with Europe. Under Labour, there will be a more natural drift back towards the continental pattern.

True, the continental economies do not present an attractive model at present. They are under pressure to adopt a more competitive Anglo-American approach. Their labour markets are setting up as unemployment reaches 13 per cent in France, for example. The continentals must adapt. Still, Labour has promised to sign up for the social chapter and to introduce a minimum wage. Change is coming.

In the stock market, the high returns seen during the Tory era

are threatened. Over 10 years, UK equities have delivered annual total returns of 14 per cent on average, much higher than the 8.5 per cent on overseas equities. UK dividends have risen by more than 8 per cent a year over this period. But Labour does not believe in generous distributions: it thinks (without much evidence) that, if more profits were retained and invested, the nation's growth

rate would be higher. That is why the City of London has become so nervous about a re-structuring of corporation tax in the Budget due soon.

Investors must be prepared to shift their focus in the equity market from dividends to earnings growth, if they have not done so already. Moreover, they must look to long-term expansion rather than re-structuring and re-engineering stories. We may note that M&G, a leading unit trust group, is planning to revamp its range of funds, partly because several of them have depended on a high income style no longer appropriate under Labour.

The gilt-edged market has also viewed the election campaign positively and we have, of course, seen sterling riding high. True, the pound fetches only \$1.82 compared with \$1 when Clement Attlee and his

chancellor, Hugh Dalton, took charge in 1945 with a parliamentary majority of 148. The markets hope that Labour will be better at macro-economics than the Tories. The latter focused on micro-economics; they deregulated and privatised and made the economy much more competitive. Their macro-economic achievements, however, were seriously

compromised by a fixation with keeping income taxes low and avoiding European commitments. As a result, the national debt has doubled within five years and the country (in spite of the broken tax promises which were largely responsible for the Tory disaster) is still undertaxed; moreover, interest rates (short term and long term) are higher than in almost any other advanced economy.

Labour's micro-economic policies look suspect but, at the macro level, its big Commons majority gives the Blair government a chance to get a grip. A tough early Budget can be blamed on the Conservatives for manipulating the "books". Certainly, outgoing chancellor Kenneth Clarke has bequeathed a big budget deficit and some fanciful spending projections: not quite a scorched earth policy, perhaps, but the grass is looking singed.

At any rate, increasing taxes is, just now, a better way of controlling the economy than raising interest rates: what a pity that such choices cannot be debated rationally during an election campaign. The risk is that shareholders, especially pension funds, will bear the burden, whereas it is consumer spending that needs to be damped down.

As for the single European currency, there is no practical entry option for the foreseeable future while the UK economy remains radically out of phase with the continental cycle. Perhaps EMU is threatened, anyway, by the election in France. But, whatever happens, we need a strategy for sterling that avoids damaging gyrations in the exchange rate. The Conservatives ended up paying a stiff interest rate risk premium and sacrificing the export sector.

But just imagine a British economy that has short term rates of 4 per cent and government bond yields of 8 per cent. This was the prize that the Tories threw away in the late 1980s and again in the mid-1990s. Of course, UK savers would be highly uncomfortable in such a climate. But then, Dalton got the consols yield down to 2.5 per cent. On the other hand, it reached 17 per cent under Denis Healey. With new chancellor Gordon Brown, no doubt, it will be somewhere in between.

We can only speculate about the policies of the Blair government. But, while the turkeys dither, some chickens are coming home to roost.

Offshore managed funds and UK managed funds are listed in Section One



FT WEEKEND

True Fiction

My short-cut to being numero uno

Peter Whitehead's dream of writing a Eurovision song contest winner could come true tonight

There has been a spring to my step these past weeks. My mind has been tripping with bright and breezy tunes and I have turned beads more than once by singing - out loud - on trains and in the street.

It's because I sense that something sensational is about to happen. And it's all down to the Eurovision Song Contest.

Since boyhood I have yearned to be part of this annual song-fest in which one of a clutch of jingles is voted, seemingly at random, without rhyme or reason, to be a winner.

With the chosen song being afforded celebrity status out of all proportion to its quality I have always seen this as my short-cut to pop superstardom.

To this end, I have spent 31 years writing Eurovision winners, with lots of "la-las" and "boom-bang-a-bangs". Some of my best were joint efforts with Ant, my old school mate. But Britain's entries during the 1970s were all sung by

big-name artists - Cliff Richard, The Shadows, The New Seekers, Co-Co - and we never had a look-in.

In 1985, the year in which the Norwegian girl duo, Bobbysocks, won with "Let it Swing" (my all-time Eurovision favourite), I went solo and wrote "Good People Can Make a World of Love". I again filled in the application form, sent off my tape (a friend accompanied my singing with a five-string guitar). But still I heard nothing.

By 1989, I had been working at the FT for a couple of years and this gave a more business-like edge to my contribution in an era of Big Bangs and roaring house price inflation. I thought I

would score heavily for topicality. I found "Financial Times" rhymed sweetly with "white-collar crimes"; "Wall Street" with "making ends meet"; and "make a buck" with "why a duck" and "beginner's luck". But no luck for me.

The British entry that year was "Why Do I Always Get it Wrong?", sung by Live Report. In 1989, I failed to come up with anything at all. But rather than miss out, I proposed a duet with the highly fanciable Sonia, who sang Britain's entry that year - "Better The Devil You Know".

I may have been over-passionate in making my case to be allowed to sing with Sonia as I

was visited by the police. A magistrate's court then told me I was not allowed within 800 yards of her for the next three years. Chance would have been a fine thing.

This spring I used my honorary life membership (promised, but as yet undelivered) of the Emsedal Golf Club to stake a claim to represent Norway. I consider myself a serious songwriter (promising, but as yet unpublished) and I had heard the contest is taken terribly seriously in Scandinavia. My rejection letter included the words "flippant" and "singalong".

I have to say I was surprised, for I felt my lyrics had a tastefully Norwegian gravitas and

straight-lacedness about them. Verse two rattled along like this:

"We eat our lunch and we don't do drugs"

"And we'd never be glue sniffers."

"We go to church and we all love God"

"And we think Cliff Richard is triffers."

It might have lost some of its fluidity in translation but I was disappointed nonetheless.

Not for long, though, as it turned out. My application form was passed around Europe - it meant I was snubbed by Bosnia, cold-shouldered by Iceland, eschewed by Estonia. But when the form landed in Dublin, there

were sparks of interest.

Ireland has been careless enough to win the song contest four times to the past five years and, as the winner plays host the following year, its Eurovision budget is running out of venues, punts, pints and enthusiasm.

So I am seen as heaven-sent by a small underground coterie of Dublin song contest activists - musicians, politicians, the monied elite - called Dublin Argues Never Again.

They have had me hopping between the capitals of Europe, inserting a middle eight here, a synthesiser solo there, a whoop and a twirl here and there. I carried detailed instructions of

what had to be done in which city.

So watch for the little side-skip by the horn section at the key-change in the German entry; listen out for a subtle clapping interlude in the Belgian song; and prepare to swoon at the emotional climax of Greece's effort - it's pure "Danny Boy".

At last I have had a Eurovision part to play - the honing and polishing of all of Dublin's main rivals, adding a few of the finest ingredients from Ireland's secret winning formula. The Irish are determined someone else will suffer next year and there is no trusting to luck.

So this should be the best song contest in history. Those all-conquering songbirds, the Irish, have, through me, partly penned almost every song.

So, if any country other than Ireland wins at Dublin's Point Theatre tonight, I will count it as a huge personal triumph. It will have been a job well done - with me, at numero uno.

Metropolis

A road map of Indian politics

When the resurfacing of boulevards begins in Delhi a VIP crisis is not far behind, finds Mark Nicholson

There has been a spring to my step these past weeks. My mind has been tripping with bright and breezy tunes and I have turned beads more than once by singing - out loud - on trains and in the street.

It's because I sense that something sensational is about to happen. And it's all down to the Eurovision Song Contest.

Since boyhood I have yearned to be part of this annual song-fest in which one of a clutch of jingles is voted, seemingly at random, without rhyme or reason, to be a winner.

With the chosen song being afforded celebrity status out of all proportion to its quality I have always seen this as my short-cut to pop superstardom.

To this end, I have spent 31 years writing Eurovision winners, with lots of "la-las" and "boom-bang-a-bangs". Some of my best were joint efforts with Ant, my old school mate. But Britain's entries during the 1970s were all sung by

big-name artists - Cliff Richard, The Shadows, The New Seekers, Co-Co - and we never had a look-in.

In 1985, the year in which the Norwegian girl duo, Bobbysocks, won with "Let it Swing" (my all-time Eurovision favourite), I went solo and wrote "Good People Can Make a World of Love". I again filled in the application form, sent off my tape (a friend accompanied my singing with a five-string guitar). But still I heard nothing.

By 1989, I had been working at the FT for a couple of years and this gave a more business-like edge to my contribution in an era of Big Bangs and roaring house price inflation. I thought I

would score heavily for topicality. I found "Financial Times" rhymed sweetly with "white-collar crimes"; "Wall Street" with "making ends meet"; and "make a buck" with "why a duck" and "beginner's luck". But no luck for me.

The British entry that year was "Why Do I Always Get it Wrong?", sung by Live Report. In 1989, I failed to come up with anything at all. But rather than miss out, I proposed a duet with the highly fanciable Sonia, who sang Britain's entry that year - "Better The Devil You Know".

I may have been over-passionate in making my case to be allowed to sing with Sonia as I



The whiff of a crisis: the sight of a fleet of Ambassadors and commandos in Delhi means political intrigue and a cat-and-mouse chase around the bungalows for journalists

it now means additional trips to Delhi's state guest-houses, battle cells of these new barons, which also sit amid south Delhi's neem and eucalyptus trees.

Altogether, it amounts to a lot of driving around, particularly given that the United Front comprised 13 separate political parties and that Congress was split into camps, each with its own bungalow headquarters.

With the politicians busy driving around meeting each other, the car becomes a reporter's primary tool. The best political intelligence is gained by stalking the boulevards in search of a big clutch of Ambassadors parked outside someone's residence or a state bhavan.

Calculating what is happening

grows easier with practice. Outside the United Front headquarters, beneath the neem trees at 7 Akbar Road, the presence of 50 Ambassadors and a white Mercedes ambulance would mean HD Deve Gowda was there - the former prime minister, still using the trappings of power. It would indicate a full steering committee meeting in progress, and interminable waiting for the journalist.

If there is no ambulance, just 20 Ambassadors, and only eight elite "black cat" commandos nursing machine-guns, rather than 12 or 16, it would be just a "core group" meeting of the Front. No decisions, no point waiting. More than 100 Congress party MPs in the garden of the canny Sharad Pawar's bungalow

would spell an incipient Congress rebellion: shin up the garden wall, cars pricked.

Such reporting also requires being conversant with the A-to-Z of Indian VIP security, especially for passing cars with tinted windows. For example, a pilot car, two escort vehicles and six "black cats" is "Z-plus", meaning a state chief minister, or maybe just a redoubtable old Congress grandee behind the Ambassador's pleated backseat curtains. A couple of khaki-clad policemen with carbines: merely "Z", probably just a minister.

It's all a draining endeavour. Happily though, there are long periods of down time which, during the recent crisis, were mostly passed on the back lawns of the

Front's white, colonnaded bungalow, waiting for the steering committee to decide something. Time to watch the parakeets, or a far-off plume of circling vultures.

Late into many a sun-drenched April afternoon and as many dusky nights, lollied India's top reporters on white plastic garden chairs. They sipped Pepsi ferried by streams of "bearers", swapped rumours and reminiscences about the old days, when the great rural leaders would invite you into their bungalow for a slap-up tea, and afterwards take you to the lawns at the back to show off the pride of their pet cows.

The meeting would then break, to the sound of 100 flicking cell-phones and the crunch of broken plant pots beneath the swarm of

sharp-elbowed TV crews, like nails to a magnet around anyone in a pristine white cotton khadi, hallmark garb of Indian politicians since Mahatma Gandhi.

Poor Pawar was left contemplating the shattered terracotta remnants of a once delightful pot plant garden on one occasion, and all for nothing. No Congress rebellion.

And so it went for three weeks, until the United Front managed to reconstitute itself under the urbane IK Gujral and it was back to our offices. Much of the thanks goes to Chandrababu Naidu, the Front's convener and the man it delegated to burrow for a consensus within the disparate party over its new leader. He is the only politician in Delhi with a

Mercedes - a legacy of his predecessor, the late and legendary Telugu movie star, NT Rama Rao.

Naidu spent days shuttling between Delhi's bhangas and bungalows, talking to everyone in sight. Whether the Front chose him because he had the fastest car is unclear. But if he, too, drove around in a lumbering Ambassador, we would all probably still be there, watching fledgling parakeets learn to fly in the garden of 7 Akbar Road.

No one knows how long the new government will last. One good omen: Delhi council last week impounded all its smoke-spitting asphalt machines on environmental grounds. But if, for one, will be calling the newswire at the first scent of fresh tar.

Arcadia

When the windmills tilt back

These old galleons are more likely to be making flour than be used as homes, says Clive Fewins

Windmills, those galleons of the English countryside, are showing signs of returning to full sail after decades of idleness and of neglect in the doldrums of unfashionableness.

Uneconomic, under-used, the English windmill has tended to find itself turned into a bome, having been declared redundant and put up for sale as a development opportunity. But, ornate and charming, they do not make practical homes: stairs are far too numerous and conventional furniture is impossible to fit against curved walls - fashion before comfort.

Shakespeare's Hotspur clearly understood the inconvenience of windmill life when he said he would rather live in one than suffer the company of someone who drove him mad. But mill enthusiasts, the train-spotter of the countryside, detect a heartening trend away from converting mills into homes, which, to them, has been a desecration.

The most recent windmills to

be sold are back in service, having been commandeered by a new breed of "mad miller", selling flour in niche markets in distant cities and making a modest living.

Peter Lewis, 51 and happy to be called a mad miller, recently took early retirement as a highways engineer to speed progress on the restoration of his 1809 sandstone windmill at Asterley, near Shrewsbury, a work in progress since 1982. His aim is to start a new career as a miller in time for the millennium.

James Waterfield, 35, another bachelor, just about makes a living running the biggest working windmill in Britain, at Boston, Lincolnshire, in eastern England. "I can pay my bills, but I would not like to have to support a wife and family on the enterprise," he said.

Such heroics are applauded by the Society for the Protection of

Ancient Buildings, established by William Morris in 1877 to protect old buildings from misguided alteration and the sin of over-restoration.

The society has a wind and watermills section with 800 members, of whom nearly 100 are active millers. The others play a support role - either helping restore mills or with the recording of former sites.

"Interest in mills is growing all the time. We have gained nearly 100 new members in the past year," said Mildred Cookson, vice-chairman of the group, one of two women to run watermills in England. "Watermills, like windmills, are far better used for the purpose for which they were intended, and a greater number of people are buying them both to live in and work in."

Whenever a working windmill comes on the market, such as one at Frant, East Sussex, which is



Mad millers: an English windmill has limited commercial prospects

for sale, the wind and watermills group campaigns for it to be bought as a going concern.

Working a windmill can be a solitary and hectic existence, however. On a gusty day, things

can be very fraught, as Nigel Moon can testify. He can be working frantically for hours on end.

"I often compare it to sailing a great galleon single-handed," said Moon, who sells his flour to wholefood warehouses and bakers, mainly in central England. "It's exhausting, and a constant challenge."

Moon, 45, has just sold one windmill at Soham, Cambridgeshire, and moved to another at Whissendine, Rutland. He hopes it will provide him with an improvement on the subsistence existence he has led for the past 16 years.

While Moon and colleagues in the wind and watermills section work single-handed, even this is changing. Present-day millers are trying to make their buildings places to visit. Some mills are open throughout the year, offering teas and the

chance buy the flour that is produced there.

To further this process, windmills and watermills have taken part in an annual National Mills Day since 1987, on which they open to the public - if there is a National Doughnut Week and a Veggie Pledge Month, why not a Mills Day? This year's event, with about 200 taking part, is on Sunday, May 11.

"National Mills Day gives people another chance to experience the life of a working mill as well as to test some of its products - flours that produce bread that is far tastier than the mass-produced flour that comes from modern roller mills," said Waterfield.

Most of the mad millers are realistic about the limited commercial prospects, and pushed onward by the romance of working with the elements, and the fascination of restoring and tend-

ing the mill machinery.

Waterfield said: "I have loved mills and milling since I was a boy, and owned a mill since I was 20. The real fascination lies in the hypnotic effect of the machinery when it is in action."

"The building and the machinery - all hand-built by craftsmen - combine as a perfect entity. The miller is working inside the machine. It is all very visible."

In the middle of the last century, the flat land near Waterfield's 80th Lincolnshire mill was studded with windmills. He says there were 14 in Boston alone.

"Nowadays I can climb out of the cap of my windmill on a clear day and see about a dozen stumps," he said. "With the present surge of enthusiasm, it is nice to think a few more of them might be returned to working order."

For details of National Mills Day contact Diana Smart at The Society for the Protection of Ancient Buildings (SPAB), 27 Spital Square, London E1 6DT (0171-377 1640).

Chess 1977: 1. White, 2. Black, 3. White, 4. Black, 5. White, 6. Black, 7. White, 8. Black, 9. White, 10. Black, 11. White, 12. Black, 13. White, 14. Black, 15. White, 16. Black, 17. White, 18. Black, 19. White, 20. Black, 21. White, 22. Black, 23. White, 24. Black, 25. White, 26. Black, 27. White, 28. Black, 29. White, 30. Black, 31. White, 32. Black, 33. White, 34. Black, 35. White, 36. Black, 37. White, 38. Black, 39. White, 40. Black, 41. White, 42. Black, 43. White, 44. Black, 45. White, 46. Black, 47. White, 48. Black, 49. White, 50. Black, 51. White, 52. Black, 53. White, 54. Black, 55. White, 56. Black, 57. White, 58. Black, 59. White, 60. Black, 61. White, 62. Black, 63. White, 64. Black, 65. White, 66. Black, 67. White, 68. Black, 69. White, 70. Black, 71. White, 72. Black, 73. White, 74. Black, 75. White, 76. Black, 77. White, 78. Black, 79. White, 80. Black, 81. White, 82. Black, 83. White, 84. Black, 85. White, 86. Black, 87. White, 88. Black, 89. White, 90. Black, 91. White, 92. Black, 93. White, 94. Black, 95. White, 96. Black, 97. White, 98. Black, 99. White, 100. Black, 101. White, 102. Black, 103. White, 104. Black, 105. White, 106. Black, 107. White, 108. Black, 109. White, 110. Black, 111. White, 112. Black, 113. White, 114. Black, 115. White, 116. Black, 117. White, 118. Black, 119. White, 120. Black, 121. White, 122. Black, 123. White, 124. Black, 125. White, 126. Black, 127. White, 128. Black, 129. White, 130. Black, 131. White, 132. Black, 133. White, 134. Black, 135. White, 136. Black, 137. White, 138. Black, 139. White, 140. Black, 141. White, 142. Black, 143. White, 144. Black, 145. White, 146. Black, 147. White, 148. Black, 149. White, 150. Black, 151. White, 152. Black, 153. White, 154. Black, 155. White, 156. Black, 157. White, 158. Black, 159. White, 160. Black, 161. White, 162. Black, 163. White, 164. Black, 165. White, 166. Black, 167. White, 168. Black, 169. White, 170. Black, 171. White, 172. Black, 173. White, 174. Black, 175. White, 176. Black, 177. White, 178. Black, 179. White, 180. Black, 181. White, 182. Black, 183. White, 184. Black, 185. White, 186. Black, 187. White, 188. Black, 189. White, 190. Black, 191. White, 192. Black, 193. White, 194. Black, 195. White, 196. Black, 197. White, 198. Black, 199. White, 200. Black, 201. White, 202. Black, 203. White, 204. Black, 205. White, 206. Black, 207. White, 208. Black, 209. White, 210. Black, 211. White, 212. Black, 213. White, 214. Black, 215. White, 216. Black, 217. White, 218. Black, 219. White, 220. Black, 221. White, 222. Black, 223. White, 224. Black, 225. White, 226. Black, 227. White, 228. Black, 229. White, 230. Black, 231. White, 232. Black, 233. White, 234. Black, 235. White, 236. Black, 237. White, 238. Black, 239. White, 240. Black, 241. White, 242. Black, 243. White, 244. Black, 245. White, 246. Black, 247. White, 248. Black, 249. White, 250. Black, 251. White, 252. Black, 253. White, 254. Black, 255. White, 256. Black, 257. White, 258. Black, 259. White, 260. Black, 261. White, 262. Black, 263. White, 264. Black, 265. White, 266. Black, 267. White, 268. Black, 269. White, 270. Black, 271. White, 272. Black, 273. White, 274. Black, 275. White, 276. Black, 277. White, 278. Black, 279. White, 280. Black, 281. White, 282. Black, 283. White, 284. Black, 285. White, 286. Black, 287. White, 288. Black, 289. White, 290. Black, 291. White, 292. Black, 293. White, 294. Black, 295. White, 296. Black, 297. White, 298. Black, 299. White, 300. Black, 301. White, 302. Black, 303. White, 304. Black, 305. White, 306. Black, 307. White, 308. Black, 309. White, 310. Black, 311. White, 312. Black, 313. White, 314. Black, 315. White, 316. Black, 317. White, 318. Black, 319. White, 320. Black, 321. White, 322. Black, 323. White, 324. Black, 325. White, 326. Black, 327. White, 328. Black, 329. White, 330. Black, 331. White, 332. Black, 333. White, 334. Black, 335. White, 336. Black, 337. White, 338. Black, 339. White, 340. Black, 341. White, 342. Black, 343. White, 344. Black, 345. White, 346. Black, 347. White, 348. Black, 349. White, 350. Black, 351. White, 352. Black, 353. White, 354. Black, 355. White, 356. Black, 357. White, 358. Black, 359. White, 360. Black, 361. White, 362. Black, 363. White, 364. Black, 365. White, 366. Black, 367. White, 368. Black, 369. White, 370. Black, 371. White, 372. Black, 373. White, 374. Black, 375. White, 376. Black, 377. White, 378. Black, 379. White, 380. Black, 381. White, 382. Black, 383. White, 384. Black, 385. White, 386. Black, 387. White, 388. Black, 389. White, 390. Black, 391. White, 392. Black, 393. White, 394. Black, 395. White, 396. Black, 397. White, 398. Black, 399. White, 400. Black, 401. White, 402. Black, 403. White, 404. Black, 405. White, 406. Black, 407. White, 408. Black, 409. White, 410. Black, 411. White, 412. Black, 413. White, 414. Black, 415. White, 416. Black, 417. White, 418. Black, 419. White, 420. Black, 421. White, 422. Black, 423. White, 424. Black, 425. White, 426. Black, 427. White, 428. Black, 429. White, 430. Black, 431. White, 432. Black, 433. White, 434. Black, 435. White, 436. Black, 437. White, 438. Black, 439. White, 440. Black, 441. White, 442. Black, 443. White, 444. Black, 445. White, 446. Black, 447. White, 448. Black, 449. White, 450. Black, 451. White, 452. Black, 453. White, 454. Black, 455. White, 456. Black, 457. White, 458. Black, 459. White, 460. Black, 461. White, 462. Black, 463. White, 464. Black, 465. White, 466. Black, 467. White, 468. Black, 469. White, 470. Black, 471. White, 472. Black, 473. White, 474. Black, 475. White, 476. Black, 477. White, 478. Black, 479. White, 480. Black, 481. White, 482. Black, 483. White, 484. Black, 485. White, 486. Black, 487. White, 488. Black, 489. White, 490. Black, 491. White, 492. Black, 493. White, 494. Black, 495. White, 496. Black, 497. White, 498. Black, 499. White, 500. Black, 501. White, 502. Black, 503. White, 504. Black, 505. White, 506. Black, 507. White, 508. Black, 509. White, 510. Black, 511. White, 512. Black, 513. White, 514. Black, 515. White, 516. Black, 517. White, 518. Black, 519. White, 520. Black, 521. White, 522. Black, 523. White, 524. Black, 525. White, 526. Black, 527. White, 528. Black, 529. White, 530. Black, 531. White, 532. Black, 533. White, 534. Black, 535. White, 536. Black, 537. White, 538. Black, 539. White, 540. Black, 541. White, 542. Black, 543. White, 544. Black, 545. White, 546. Black, 547. White, 548. Black, 549. White, 550. Black, 551. White, 552. Black, 553. White, 554. Black, 555. White, 556. Black, 557. White, 558. Black, 559. White, 560. Black, 561. White, 562. Black, 563. White, 564. Black, 565. White, 566. Black, 567. White, 568. Black, 569. White, 570. Black, 571. White, 572. Black, 573. White, 574. Black, 575. White, 576. Black, 577. White, 578. Black, 579. White, 580. Black, 581. White, 582. Black, 583. White, 584. Black, 585. White, 586. Black, 587. White, 588. Black, 589. White, 590. Black, 591. White, 592. Black, 593. White, 594. Black, 595. White, 596. Black, 597. White, 598. Black, 599. White, 600. Black, 601. White, 602. Black, 603. White, 604. Black, 605. White, 606. Black, 607. White, 608. Black, 609. White, 610. Black, 611. White, 612. Black, 613. White, 614. Black, 615. White, 616. Black, 617. White, 618. Black, 619. White, 620. Black, 621. White, 622. Black, 623. White, 624. Black, 625. White, 626. Black, 627. White, 628. Black, 629. White, 630. Black, 631. White, 632. Black, 633. White, 634. Black, 635. White, 636. Black, 637. White, 638. Black, 639. White, 640. Black, 641. White, 642. Black, 643. White, 644. Black, 645. White, 646. Black, 647. White, 648. Black, 649. White, 650. Black, 651. White, 652. Black, 653. White, 654. Black, 655. White, 656. Black, 657. White, 658. Black, 659. White, 660. Black, 661. White, 662. Black, 663. White, 664. Black, 665. White, 666. Black, 667. White, 668. Black, 669. White, 670. Black, 671. White, 672. Black, 673. White, 674. Black, 675. White, 676. Black, 677. White, 678. Black, 679. White, 680. Black, 681. White, 682. Black, 683. White, 684. Black, 685. White, 686. Black, 687. White, 688. Black, 689. White, 690. Black, 691. White, 692. Black, 693. White, 694